



TOWN OF AMHERST, MASSACHUSETTS
FINANCE COMMITTEE REPORT

and

**RECOMMENDATIONS TO THE
247th ANNUAL TOWN MEETING**

PART TWO

MAY 1, 2006
7:30 O'Clock p.m.
Amherst Regional Middle School Auditorium

2006 TOWN MEETING SCHEDULE

Town Meeting Begins:

MONDAY, MAY 1, 2006

The following dates are tentative. Town Meeting will decide each night when the next session will be.

WEDNESDAY, MAY 3, 2006

MONDAY, MAY 8, 2006

WEDNESDAY, MAY 10, 2006

THURSDAY, MAY 11, 2006

MONDAY, MAY 15, 2006

WEDNESDAY, MAY 17, 2006

THURSDAY, MAY 18, 2006

MONDAY, MAY 22, 2006

WEDNESDAY, MAY 24, 2006

THURSDAY, MAY 25, 2006

TUESDAY, MAY 30, 2006

MONDAY, JUNE 5, 2006

TUESDAY, JUNE 6, 2006

WEDNESDAY, JUNE 7, 2006

All meetings begin at 7:30 p.m.

Meetings will be held at:

Amherst Regional Middle School Auditorium

**THERE ARE ONLY A LIMITED NUMBER
OF REPORTS AVAILABLE.**

PLEASE BRING THIS REPORT WITH YOU.

The Woodblock of the Amherst Town Hall is by Barbara Yaukey

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AMHERST TOWN BYLAWS - ARTICLE 1

RULES OF ORDER FOR TOWN MEETING

1. **CONSENT CALENDAR.** At least five business days prior to the opening of the first session of the Annual Town Meeting or any Special Town Meeting, the moderator shall propose to all members a "Consent Calendar" listing all articles and budget areas which, based on the records of recent town meetings, the moderator deems to be non-controversial. At the first session of the meeting, at the request of any member, any article or budget area shall be removed from the Consent Calendar so that it can be debated and voted upon in accordance with the provisions of these Rules of Order. All items remaining in the Consent Calendar shall then be voted upon by a single vote without debate.
2. Any motions shall be in writing if requested by the moderator.
3. Any question may be divided on call of a member when the sense will admit of such division.
4. **GREEN AND RED CARDS DURING DEBATE.** To assist the moderator in shaping an orderly and equitable debate, green and red cards shall be used by members to indicate a desire to speak for or against the current motion on the floor. A desire to speak without advocacy or to ask a question shall be indicated by raising a hand without a green or red card.
5. When a question is under debate, the moderator shall receive no motion but to adjourn, to dismiss, for the previous question, to postpone for a day certain, to commit, or to amend, which several motions shall have precedence in the order herein mentioned. The meeting shall not vote to dismiss an article without having heard a voter speak in its favor, unless no one seeks to do so.
6. Following a motion under any article, the Moderator shall first recognize the proponent thereof to speak for up to five (5) minutes in favor of the motion, or with leave of Town Meeting, for additional time. Thereafter, and in the absence of leave of Town Meeting granting additional time, each subsequent speaker shall be limited to three (3) minutes. No person shall speak more than twice on the same subject, without leave of the meeting, except to raise a point of order or to answer a question.
7. When two or more motions are made with regard to the same subject relating to sums of money, numbers or times, the question shall first be put upon the largest sum or number, and the longest time.
8. **VOICE VOTES, TALLIED VOTES, AND STANDING VOTES.** All votes unless otherwise provided for by law shall in the first instance be taken by 'ayes' and 'noes' voice vote.

If any member questions the voice vote, or if a four-fifths or nine-tenths vote is required by statute and the vote is not unanimous, the vote shall be taken by counted standing vote. When a two-thirds vote is required by statute, a counted standing vote shall not be taken unless the voice vote is doubted by the moderator or questioned by a member.

If, within a short but reasonable period of time following the voice vote, which period of time shall be fixed by the moderator, any member requests a tally vote and if 14 members manifest their concurrence with that member, the vote of each member shall be tallied by the use of a color-coded (green for aye, red for no) cards. Each such card shall bear the member's name and indicate his/her vote. Each member shall cast his/her own vote only. Such cards shall be collected and counted by the tellers, which count shall be determinative of the question.
9. A vote may be reconsidered only on motion of a member who did not vote with the minority. When a motion for reconsideration is decided that decision shall not be reconsidered, and no question shall be twice reconsidered.
10. A motion to dissolve shall be debatable, but a motion to adjourn to a day certain shall not be debatable.
11. No motion to dissolve a town meeting shall be in order until every article in the warrant therefor has been acted upon.
12. A registered voter of the town who ceased to be an elected town meeting member upon election as chair of the finance committee and who subsequently ceases to be a town meeting member at large upon ceasing to be chair of the finance committee shall be a town meeting member at large for a period ending on the date of the next annual town election.
13. After 10:00 PM, and in the absence of a majority vote of Town Meeting so permitting, no motion under any article other than the article then under debate may be made.

THE FINANCE COMMITTEE AND THE BUDGET PROCESS

Duties of the Finance Committee

The bylaws of the Town of Amherst require the Finance Committee "to investigate all proposals in the articles of the warrant for any town meeting that shall in any way affect the finances of the town and to recommend to the town...a course of action thereon, and in general to make recommendations to the town in regard to any financial business of the town." This report is in partial fulfillment of our responsibility in regard to the 247th Annual Town Meeting.

Budget Process

The budget process takes place throughout the year. It begins in early fall with the development of the Select Board's policy guidelines to the Town Manager, the Amherst School Committee's policy guidelines to the Superintendent of Schools, and the Library Trustees' policy guidelines to the Library Director. The various administrators confer with department heads, boards and committees to develop specific budget proposals which they feel will best meet the needs of the Town, Schools and Libraries for the next fiscal year. The Amherst-Pelham Regional Schools use the same procedure.

Also in the fall, the Town Manager presents financial projections to the other administrators, the elected boards and committees, and the Finance Committee. This provides preliminary guidance on the level of resources that may be available for the coming year.

In January, the budgets are presented to the Finance Committee, whose members spend the next few months reviewing the budgets, asking questions, and hearing comments. In the same period of time, the Joint Capital Planning Committee examines requests for capital spending in the coming year within the context of a five-year capital spending plan; it then makes recommendations to the Finance Committee, the Select Board, the School Committee, and the Library Trustees, all of whom are represented on the Joint Committee. In addition, a newly formed Joint Financial Planning Group, consisting of administrators, finance officers and board and committee representatives of the Select Board, Amherst and Regional School Committees, Jones Library Trustees and Finance Committee, meets to coordinate their calendars and share information and views on the Town's budget.

After much deliberation, the Finance Committee determines its recommendations on the budget to be presented to Annual Town Meeting. The budget, as voted by Town Meeting each spring, then becomes the plan of action for the following fiscal year (July 1 through June 30). Concurrently with this work, and also immediately after the close of the fiscal year, the budget of the present year is monitored and evaluated so that experience with it can guide future budget decisions.

Budget Presentation

Spending articles. The operating budget for the Town as a whole makes up Article 26 of the warrant for this Annual Town Meeting. The budget is divided into sections covering five separate municipal functional areas, the elementary schools, the Regional School assessment, library services, each of four enterprise funds, and debt service. For each section, a motion will be made proposing the total amount to be spent on that section. In all cases, Town Meeting will be able to discuss individual budget lines within the sections and provide advice and direction.

Most capital spending appears in separate articles, as does funding for the various special services the Town provides. The more routine capital spending of the enterprise funds appears in their operating budgets. The same is true of the Regional Schools.

Procedures. Any member of Town Meeting who wishes to propose an amendment to an operating budget motion may do so by moving to increase or reduce the amount of an appropriation that has been moved. Town Meeting members should remember that the subject of these articles is the appropriation of money and not the day-to-day administration of the Town. If an amendment is proposed, it is essential for the Meeting to know what the amendment is intended to accomplish, but it should be kept clearly in mind that responsibility for running the affairs of the Town rests with the Select Board, School Committee, Library Trustees, and appointed officials.

The issues covered under each motion may be complex, especially in sections of the budget that are supported by a variety of revenue sources. Town Meeting members who want to make an alternate motion or amendment are encouraged to seek assistance from the Moderator, a member of the Finance Committee or the Select Board, or an appropriate staff person prior to introducing the amendment.

If a Town Meeting member wishes to propose an increase in the operating budget, he or she should be aware that a source of funding will have to be found to cover the increase. This could be a reduction made elsewhere in the budget, an override or exclusion referendum, or use of reserves. In general, the amounts of money stated in the separate spending articles cannot be increased significantly on the floor of Town Meeting. If you have questions about this, please consult with the Moderator.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

This is Part Two of a two-part report describing the financial condition of Amherst and the Finance Committee's recommendations for balancing the Town's budget for fiscal year 2007. Part One gave information on the nature, causes and extent of the current financial distress based on information available at mid-April. This report describes the situation as of early May. In the interim, estimates of local revenues have increased, sources of funds other than taxation have been identified to support operating budgets, and budget cuts have been proposed. At this time, one large question remains unresolved: What will be the amount of state aid Amherst will receive? The recommendations in this report are based on current knowledge and informed expectations concerning the unresolved question.

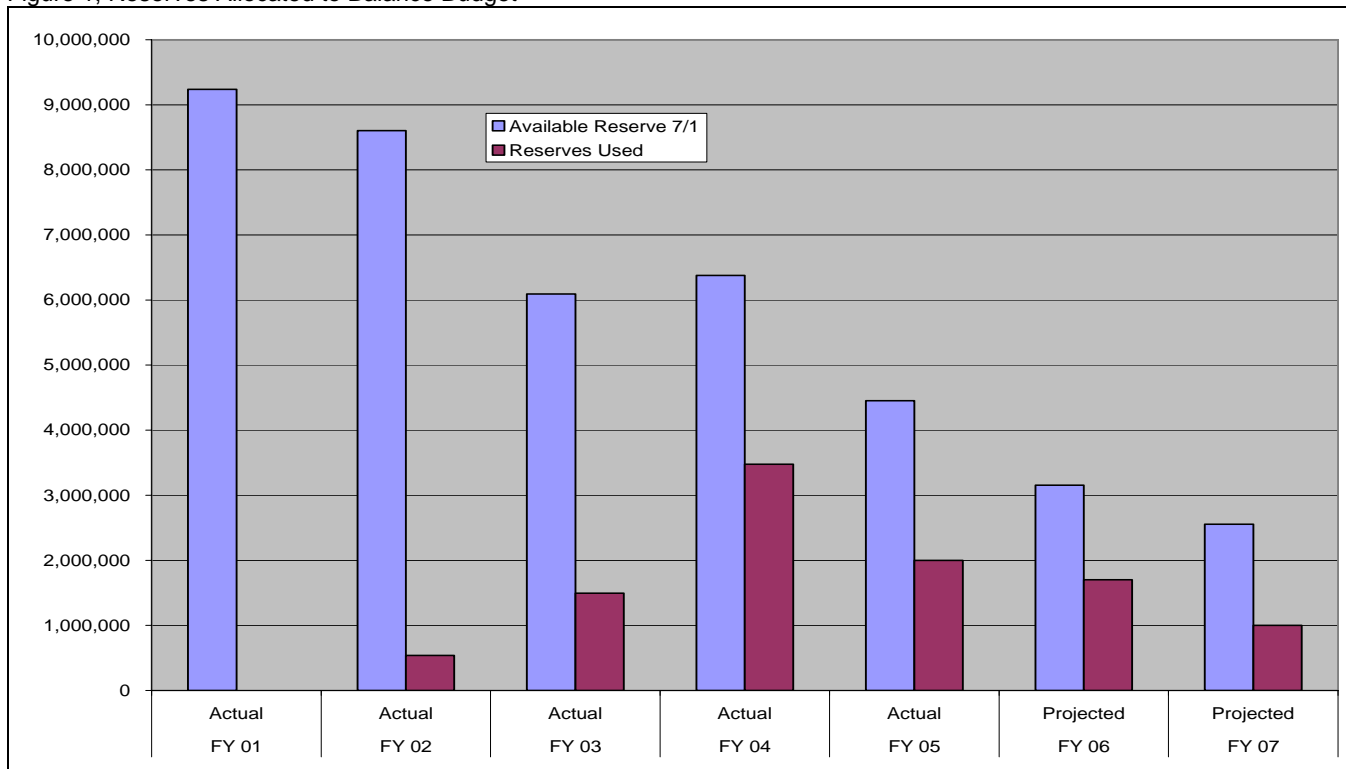
Level services operating budget proposals

Early this year, the Town Manager, School Superintendent and Library Director presented operating budgets that were designed to provide services in FY 07 equal to what they are this year. These "level services" budgets included contracted increases in salaries, increases for insurance and energy costs and many other changes required to maintain existing services. In some cases, additional staff positions were proposed because they were considered necessary to maintain services. The level services budgets required funding increases over the current year: 8.5 percent for municipal services, 10.6 percent for elementary schools, 10.9 percent for the regional schools (with a 26.7 percent increase in the Amherst assessment) and 8.2 percent for libraries (with a 10.7 percent increase in tax support). The main causes of these increases are contracted salary increases, higher health insurance premiums (including a temporary surcharge through FY 07 that repays the FY 05 deficit of the Health Claims Trust Fund) and higher energy costs. Altogether, the Town faced a deficit of \$4.7 million.

Use of reserves

The Finance Committee recommends using \$1 million in savings the Town has in its Stabilization Fund and Free Cash to help balance the FY 07 Town budget. Doing so continues a planned pattern of declining use of these reserves since FY 04. (See Figure 1, Reserves Allocated to Balance Budget.) Use of this money reduces the deficit to \$3.7 million. The Committee thinks it is essential to use no more than \$1 million in savings, because the Town needs to begin building up its savings again. The Committee also recommends using no savings in FY 08. This would mark the end of the structural deficit (recurring expenditures greater than recurring revenues) with which the Town has struggled for several years.

Figure 1, Reserves Allocated to Balance Budget



FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Budget cutting

Financial projections prepared by the Finance Director in February indicated that estimated available resources, including property taxes, local fees, other miscellaneous resources and estimated state aid could pay for budget increases of 3.6 percent for municipal services and elementary schools, 3.6 percent in tax support for libraries, and 12.3 percent for the regional assessment. The administrators, their staffs and the Select Board, Jones Library Trustees and the Amherst and Regional School Committees worked very hard to identify ways to reduce spending and/or find sources of funds other than the General Fund, which consists largely of property tax and fee income as well as state aid. This effort required making some very difficult decisions; however, it provided a basis for closely examining priorities among services and activities in the Town as a whole. The Finance Committee was guided in its decision-making by a set of priorities that placed General Government and the safety and health of the public at the top of the list, followed closely by schools. The recommendations in this report reflect the view of the Finance Committee that the Amherst elementary schools and the Regional schools were particularly hard hit by adjustments needed to get their budgets down to these lower levels. The libraries were faced with ending or reducing some highly valued programs. Additional funding has been applied to their budgets, including \$100,000 reallocated from the Capital Plan to support the Regional Assessments. The House version of the state budget allocates about \$170,000 more in aid in all accounts than did the Governor's budget. Assuming this level of aid will not be reduced, the Finance Committee recommends committing an additional \$144,000 to elementary schools and \$26,000 to libraries. The resulting appropriations and percent increases over the current year are:

Municipal services	\$17,749,893	4.9%
Elementary schools	19,264,119	4.4
Regional schools assessment	11,904,067	13.3
Library tax support	1,446,695	5.5

Local revenues

Increases in fees for a variety of services are proposed. These occur primarily, but not entirely, in municipal services areas of the Town's budget, because that is where most fee supported activities are found. In a few cases, costs are shifted from the General Fund to other sources, such as grants or enterprise funds. These actions allow necessary functions to continue and at the same time free up General Fund money for other uses. Fee increases are limited by the requirement that fees not exceed the cost of providing their related services. Enterprise fund money and grants are eligible for use only for the purposes for which the fund or grant was established. Consequently, when salaries are moved from General Fund support to an enterprise fund or grant, the work of the people whose salaries are moved changes.

The recommendations in this report include a total of \$186,330 from transferring General Fund costs to specialized funds and grants and increasing fee income. This effectively reduces the Municipal services tax-supported budget increase from 4.9% to 3.6%.

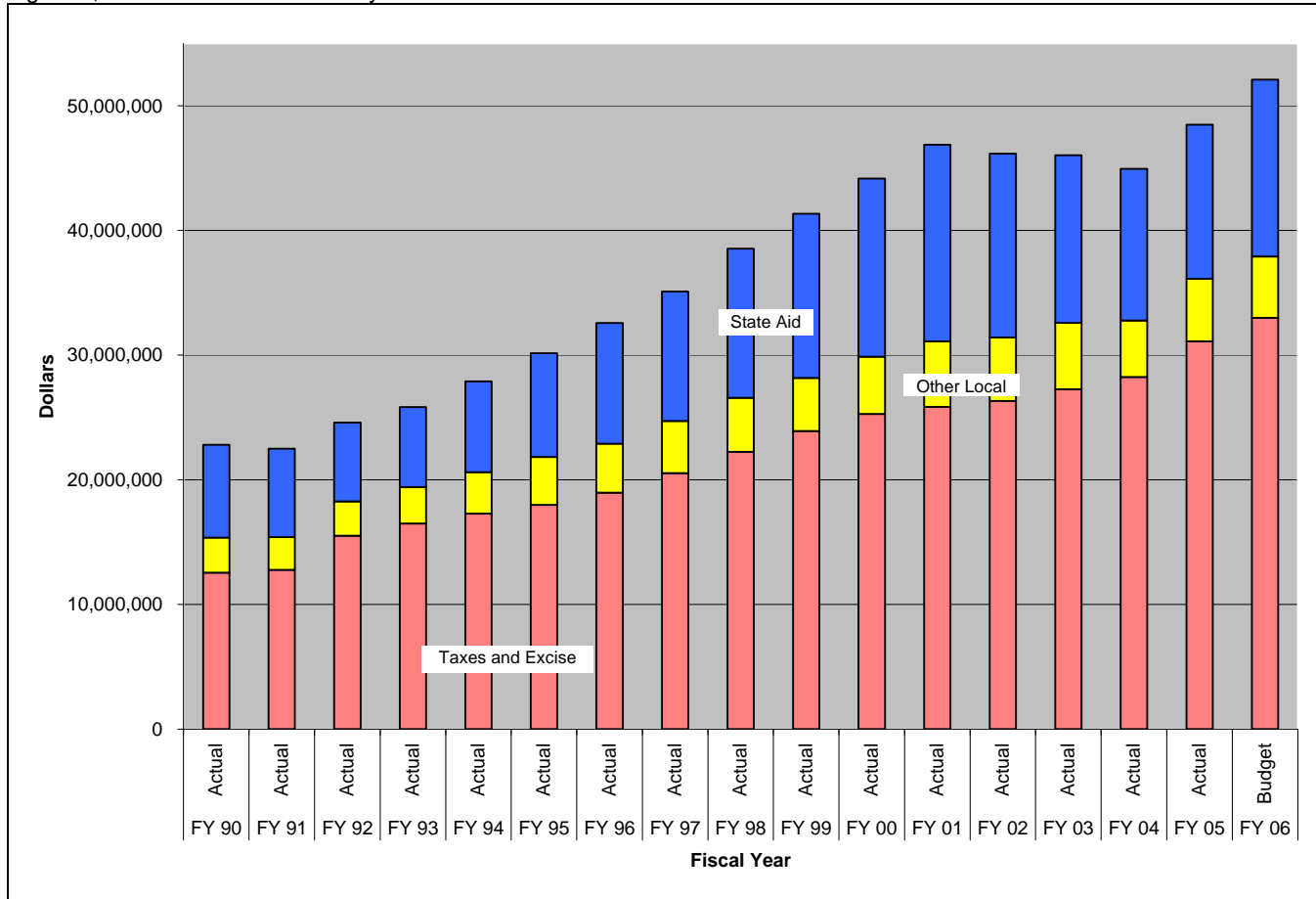
State aid

The Governor's budget proposal, released in January, provided Amherst with a total of \$16,124,500 in aid. Lottery aid was the largest amount, \$9,995,752, an increase of almost \$1.7 million over the current year. Lottery aid had been "capped," and the state used some of the money to balance its budget. Chapter 70 aid for the Amherst Schools increased by \$251,800, to \$5,824,600. Chapter 70 aid for the Regional schools stayed the same as this year. The house budget, voted on April 28, provided an additional \$187,400 in Chapter 70 aid for Amherst; changes in other aid accounts resulted in a net increase in aid of \$170,500. The House budget reduced Chapter 70 aid for Regional schools by \$240,000; however, differences in calculating charges to the Regional schools produced a net decrease of \$35,300. Lottery aid is uncapped in the Governor's and House budgets, and there is every reason to expect that it will stay the same in the final state budget. Chapter 70 aid is less certain. The Senate plans to provide a \$200 million increase in Chapter 70 aid, \$27 million more than the House, but the Senate also plans to alter the formula for distributing it. The consequences for our schools are not known, nor is it known what the final method of distribution will be. An almost certain outcome will be that, for the first time, the Town will receive a slightly larger total amount of aid than in FY 2001. (See Figure 2, General Fund Revenue by Source in Dollars.)

For purposes of planning this budget, the Finance Committee has assumed that total state aid for the Town will not be less than what the House voted. New information could result in relatively small differences between the recommended appropriations in this report and the motions to be made at Town Meeting. As for the Region, one can only hope the final aid amount improves. The four towns have put a great deal of effort into finding ways to support the schools; it would be a shame if the result were to be undone because of reduced state aid.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Figure 2, General Fund Revenue by Source in Dollars



Transfer of capital plan funds to operating budgets

The Joint Capital Planning Committee (JCPC) decided early in this year's budget process to commit 8.5 percent of the FY 07 property tax levy to capital spending. In previous years, the goal had been 10 percent of the levy, a rate that has not been sustained during the recent years of financial stress. As the extreme pressure on operating budgets became apparent, JCPC agreed to reallocate \$100,000 for elementary school capital expenditures to benefit the Regional assessment. This became part of an agreement that produced an extra \$62,000 each from Leverett and Shutesbury. The significance of the extra assistance to the Region was enough to overcome reluctance to divert capital funding to operations. In FY 07, just 8.2 percent of the levy is to be used for capital purposes.

Balancing the budget

Town, school and library officials who have been actively involved in the budget process have worked together diligently and cooperatively to make the best of a very difficult situation. It is to their credit that a tolerable spending plan for next year has emerged. The Finance Committee's recommendations in this report reflect our judgment on how best to accommodate needs and desires for Town services at a time when resources cannot pay for everything that citizens have come to expect. Town Meeting will now have to work its way through the details to make the final decisions. Should Town Meeting members wish to add to the proposed spending, the extra money must come from somewhere. One possibility would be to spend more than \$1 million of the Town's savings. The Finance Committee recommends against this in the strongest possible terms. Doing so would only cause a worse situation in the future. So many kinds of fees have already been increased that this seems to be an unlikely approach. A Proposition 2 ½ override is another choice, perhaps with contingent appropriations that would be funded only if an override election approved. This might not be a wise approach, since it would not be done in the context of a more thorough review of the Town's future needs.

FINANCE COMMITTEE REPORT TO AMHERST CITIZENS

Appreciation

The Finance Committee appreciates very much the support given us by John Musante, who is our staff liaison, the Town's Finance Director/Treasurer and, since April, the Interim Town Manager. He has continued to provide us with excellent information, ideas and advice while carrying out his many other duties. We consider ourselves extremely fortunate.

Maria Racca, data analyst, continues to provide us with valuable information, and she has once again worked her magic to produce this report.

Our entire budget review process depends on collaboration with members of the Select Board, Jones Library Trustees and the Amherst and Regional School Committees along with Mr. Musante, recently retired Town Manager Barry Del Castilho, Superintendent of Schools Jere Hochman and Library Director Bonnie Isman. We also depend on other Town staff, committees and citizens for their assistance and insights. We thank the staff in the Town Manager/Select Board office for looking after our day-to-day functioning: Joyce Karpinski, Libby Lass and Gail Weston.

Finance Committee Members:

We invite your questions and views about Town money matters.

Marilyn Blaustein	253-5963
Alice Carlozzi, Chair	549-1236
Michael Mascis	253-9165
Brian Morton, Vice Chair	549-4161
Kay Moran	549-5767
Irvin Rhodes	253-7147
Andrew Steinberg	549-6826

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FINANCE COMMITTEE REPORT - FY 07

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

	GENERAL FUND FY 07 BUDGET	WATER FUND FY 07 BUDGET	SEWER FUND FY 07 BUDGET	SOLID WASTE FUND FY 07 BUDGET
RESOURCES				
Revenues:				
Taxes	34,564,844	0	0	0
Other Local Source Revenues	3,894,813	3,448,715	3,020,200	440,000
Federal & State Revenue	16,968,579	273,877	0	0
Subtotal Revenues	55,428,236	3,722,592	3,020,200	440,000
Other Financing Sources:				
Borrowing	0	0	0	0
Special Revenue Funds	1,771,375			
From Jones Inc	542,279			
Stabilization	1,000,000	0	0	0
Free Cash/Retained Earnings	0	0	211,835	33,497
Other Available Funds	262,700	0	0	0
Overlay Reserve Account	0	0	0	0
Community Preservation Act	380,000	0	0	0
Subtotal Other Financing Sources	3,956,354	0	211,835	33,497
TOTAL RESOURCES	59,384,590	3,722,592	3,232,035	473,497
EXPENDITURES				
State Assessments	61,489	0	0	0
Council of Governments	0	0	0	0
PVTA Assessment	637,557	0	0	0
PVPC Assessment	5,300	0	0	0
Retirement Assessment	2,835,526	0	0	0
Subtotal Assessments	3,539,872	0	0	0
Town Operating Budget	17,749,893	2,278,839	2,351,036	473,497
Debt Service	837,125	592,987	359,210	0
Capital Program	2,287,000	464,000	225,000	0
Tax Supported Special Services	0	0	0	0
Fee & Grant Supported Special Services	4,000	0	0	0
Subtotal Town Budgets	20,878,018	3,335,826	2,935,246	473,497
Amherst Elementary School Budget	19,264,119	0	0	0
Amherst-Pelham Regional School District	11,904,067	0	0	0
Debt Service	838,312	0	0	0
Capital Program	324,643	0	0	0
State Aid Offsets	6,741	0	0	0
Subtotal School Budgets	32,337,882	0	0	0
Jones Library Operating Budget	2,033,196	0	0	0
Jones Library Debt	65,622	0	0	0
Library Capital	103,000	0	0	0
Subtotal Jones Library	2,201,818	0	0	0
Reserve Fund	100,000	0	0	0
Reserve for Abatements & Exemptions	317,000	0	0	0
Interfund Transfers	10,000	386,766	296,789	0
TOTAL EXPENDITURES	59,384,590	3,722,592	3,232,035	473,497

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FINANCE COMMITTEE REPORT - FY 07

CONSOLIDATED RESOURCES/EXPENDITURES SUMMARY

TRANSPORTATION FUND FY 07 BUDGET	TOTAL FY 07 BUDGET	TOTAL FY 06 BUDGET	CHANGE FY 06-07
0	34,564,844	33,020,305	1,544,539
829,199	11,632,927	10,868,565	764,362
0	17,242,456	15,110,306	2,132,150
829,199	63,440,227	58,999,176	4,441,051
0	0	0	0
	1,771,375	1,546,890	224,485
	542,279	505,845	36,434
0	1,000,000	850,000	150,000
0	245,332	1,157,813	(912,481)
0	262,700	157,500	105,200
0	0	0	0
0	380,000	664,632	(284,632)
0	4,201,686	4,882,680	(680,994)
829,199	67,641,913	63,881,856	3,760,057
0	61,489	63,181	(1,692)
0	0	0	0
176,558	814,115	781,240	32,875
0	5,300	5,300	0
0	2,835,526	2,492,946	342,580
176,558	3,716,430	3,342,667	373,763
418,936	23,272,201	22,196,157	1,076,044
132,191	1,921,513	1,960,705	(39,192)
10,000	2,986,000	3,095,400	(109,400)
0	0	0	0
0	4,000	4,000	0
561,127	28,183,714	27,256,262	927,452
0	19,264,119	18,455,714	808,405
0	11,904,067	10,508,489	1,395,578
0	838,312	791,446	46,866
0	324,643	371,400	(46,757)
0	6,741	0	6,741
0	32,337,882	30,127,049	2,210,833
0	2,033,196	1,921,981	111,215
0	65,622	69,696	(4,074)
0	103,000	35,000	68,000
0	2,201,818	2,026,677	175,141
0	100,000	100,000	0
0	317,000	300,000	17,000
91,514	785,069	729,201	55,868
829,199	67,641,913	63,881,856	3,760,057

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 24. FY 06 Budget Amendments
 (Finance Committee)**

A. To see if the Town will amend Article 30 of the 2005 Annual Town Meeting (FY 2006 Operating Budget) to distribute the amount appropriated for FY 06 salary adjustments for Town employees from General Government to Public Safety, Public Works, Planning, Conservation, and Inspections, and Community Services and to transfer sums of money between these accounts to balance the FY 2006 Fiscal Year.

B. To see if the Town will amend Article 31 of the 2005 Annual Town Meeting (Reserve Fund) and appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance of the General Fund.

PART A: RECOMMENDATION DEFERRED UNTIL TOWN MEETING. Part B redistributes money appropriated to General Government at last spring's Annual Town Meeting to pay for estimated salary increases required as a result of staff contract agreements. Money for all five of the municipal budget's functional area employees was assigned to General Government, because the correct distribution was not known at the time. Because each of these sections is voted separately by Town Meeting, votes by Town Meeting are also required to put the money where it is needed. Money will also be transferred from functional area budgets that have excess funds to others that have deficits. The motion for this part will state the exact amounts. Part B would not result in any additional spending.

PART B: RECOMMENDATION DEFERRED UNTIL TOWN MEETING. The purpose of this part is to provide additional funds to close out FY 06 with a balanced budget. A more accurate determination of the amount of money needed, if any, can be obtained by delaying the calculation.

**ARTICLE 25. Amend Amherst-Pelham Regional School District Agreement
 (Amherst-Pelham Regional School Committee)**

To see if the town will vote to choose one of the following options:

A. To see if the Town will approve following the existing Amherst-Pelham Regional School District Agreement for allocating the total amount to be contributed by each member town of the District for Fiscal Year 2007 as required by Section IV of the Regional Agreement.

B. To see if the Town will approve an amendment to the Amherst-Pelham Regional School District agreement reallocating the total amount to be contributed by the member towns to the District for Fiscal Year 2007.

RECOMMENDED by a Finance Committee vote of 6-0, one absent. The motion to be made under this article is somewhat different from the article itself. The motion will be:

" . . . to approve an amendment to the Amherst-Pelham Regional School District Agreement which shall enable the realignment of annual assessments consistent with said Agreement while supporting the strongest possible Regional budget, such that the Towns of Leverett and Shutesbury will each make a transitional contribution of \$62,000 in addition to the assessments determined for each member town by Section VI of the Regional Agreement ('per pupil method'), such an amount to offset the assessment to the town of Amherst, which amendment shall apply to Fiscal Year 2007 only."

The purposes of the motion are to meet the goal of returning to the method of apportioning assessments that is stated in the Regional Agreement, to try to ameliorate the resulting one-year effect on the Amherst assessment, and to support the operations of the schools as well as possible. This motion resulted first from meetings of a task force charged with finding a long-term solution to the assessment problem and then from meetings of members of the School Committees, Select Boards and Finance Committees of Shutesbury, Pelham, Leverett and Amherst. The Regional School Committee requests that the four towns adopt the motion for FY 07 only. Positive votes by all four towns are required for the amendment to become effective.

Some background information may help clarify the reasons for the motion and how it would work. From the formation of the Region over 50 years ago until the state's Education Reform Act took effect in 1993, all operating costs of the Region were assessed to the individual towns in proportion to the number of students from each town attending the Regional Schools. In 1988, the enrollment count changed from the year-to-year number to a five-year rolling average. The primary reason for this change was to prevent sharp changes in the assessments of the smaller towns that caused great difficulty for them in managing their overall town budgets. The per pupil cost of the assessment was the same for every town.

ANNUAL TOWN MEETING WARRANT ARTICLES

Education Reform introduced a complex formula for calculating a minimum contribution each municipality had to pay in support of schools and for determining the amount of Chapter 70 school aid the Region would receive to be credited against each town's assessment. The minimum contributions and Chapter 70 aid determined how part of the total amount of money to support the budget was assessed to the towns. The remainder of the money was assessed to individual towns according to the Regional Agreement per pupil standard. As a result of this two-stage computation, some towns paid significantly more in per pupil taxation than others. This difference was intentional; it furthered the Education Reform Act goal of taking account of ability to pay and equalizing effort for financial support of education throughout the Commonwealth. (The Act states two goals. The other is to provide an "adequate" education for all children in the Commonwealth.) In the case of the Amherst-Pelham Region, Amherst has been paying considerably less in taxation per pupil than the other three towns. For several years, the towns were required to follow the state's method of calculation.

When the Governor's budget proposal for FY 2004 came out in January, 2003, and its school aid figures were applied to the Region's original budget proposal, the result was enormous and widely differing increases in assessments ranging from 19 to 48 percent. The House Ways and Means Committee budget that year brought assessments down to a more reasonable level, although still difficult to manage. The range of increase was between 6 and 13 percent (6 percent for Amherst, 13 percent for Pelham, with the other two towns at 11 percent.) Two of the towns expected to hold Proposition 2 1/2 override elections, and officials from those towns said it would be difficult to explain to their voters why their per pupil tax support and rate of increase in assessment would be higher than Amherst's. Once three towns approve their assessment, the budget is adopted and all four towns are required to pay. The need for overrides threatened to create a situation in which the Regional Schools' budget might not be adopted without unacceptable consequences for the quality of education.

By this time, regional school districts were allowed to use an assessment formula different from the state's if the towns agreed to it unanimously. This change was useful to the Amherst-Pelham Region because the Department of Education formula no longer served its purpose very well. The underlying statistics used in the computations had never been updated, and repeated tinkering in small ways distorted the results. Officials of the four towns held multiple meetings to figure out what to do. In the end, Amherst proposed raising each town's assessment by the same percentage for one year only. This provided a simple, easily understood means for coping with a difficult situation. All four Town Meetings voted to approve this temporary solution, which provided the towns time to work out a long-term agreement. The towns approved and used the "equal percent increase" method in FY 04 and FY 05. It is being used in slightly altered form in the current year.

Last fall, a Regional Assessment Task Force began meeting at the request of the Regional School Committee. The Task Force was made up of two members each from the four towns plus two from the School Committee. Their purpose was to recommend a method of calculating assessments that was fair, simple and easy to explain. After meeting four times, the group concluded that returning to the Regional Agreement's per pupil method made the most sense. The Amherst members agreed with some reluctance, because it makes no recognition of ability to pay, a factor that had worked to the advantage of Amherst.

Proposed Regional assessments for the towns increase at a substantially higher rate than the increase in the budget itself. There are several reasons, which are explained in some detail in the section of this report on the Regional Schools budget. The increases in the Amherst and Pelham assessments are particularly high. Leverett and Shutesbury offered to make extra contributions in this year of transition to the enrollment based method in order to provide more money for the schools. To complete the special arrangement, Amherst agreed to forego some capital spending for its elementary schools and use the money instead for the Regional assessment. This was done with the concurrence of the Joint Capital Planning Committee. The motion under this article makes explicit the extra contributions of Leverett and Shutesbury. It also makes possible a budget for the Region that is very stringent but better than it might otherwise have been. The Finance Committee recommends this article because it allows what seems to be the most reasonable outcome possible for the schools.

ARTICLE 26. FY 2007 Operating Budget (Finance Committee)

To see if the Town will adopt a comprehensive operating budget for the ensuing year and raise and appropriate money therefor.

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FINANCE COMMITTEE REPORT - FY 07

GENERAL GOVERNMENT

10.9% INCREASE FROM FY 06

10% OF GENERAL FUND OPERATING BUDGETS

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Projected	FY 07 Recommended	Change FY 06 - 07	Percent Change
Select Board/Town Manage \$	202,632	220,245	220,010	217,586	219,911	2,325	1.1%
Town Meeting/Finance Con \$	463	1,560	460	560	500	(60)	-10.7%
Finance Department \$	737,157	731,894	726,802	771,943	789,543	17,600	2.3%
Legal Services \$	131,381	94,150	105,347	106,726	110,568	3,842	3.6%
Human Resources \$	1,616,459	1,773,103	1,755,627	2,201,281	2,649,961	448,680	20.4%
Human Rights \$	39,236	54,033	53,461	48,405	48,810	405	0.8%
Information Technology \$	374,193	402,913	402,628	427,615	459,300	31,685	7.4%
Town Clerk's Office \$	129,368	143,679	142,365	151,982	146,450	(5,532)	-3.6%
Elections & Registration \$	38,554	49,885	47,985	26,680	65,850	39,170	146.8%
Facilities Maintenance \$	395,431	370,074	357,067	437,205	408,773	(28,432)	-6.5%
General Services \$	366,124	405,005	405,324	410,053	424,726	14,673	3.6%
TOTAL APPROPRIATION \$	4,030,999	4,246,541	4,217,076	4,800,036	5,324,392	524,356	10.9%

The General Government functional area is responsible for carrying out activities that underlie and are essential to the performance of all other parts of Town government. These activities include conducting elections, apportioning and collecting taxes, and managing the Town's money. In addition, the General Government operating budget covers all of the general administrative costs of managing and operating municipal functions (except for the five enterprise funds). Included are financial operations and employee benefits (except retirement) for all municipal departments, maintenance of most public facilities (Town Hall, Bangs Community Center, Munson Memorial Library, North Amherst School, Amherst Child Care Facility), legal expenses and insurance costs.

Fixed cost increases in benefits and insurance are the primary reasons for the 10.9% increase in this functional area. Health insurance for non-school employees/retirees, included in the Human Resources budget, increases by 23.3% (\$407,132), to a total of \$2,156,748. This includes approximately \$100,000 to fund the employer share of a 5.25% surcharge to pay back a "loan" from the General Fund to the Health Claims Trust Fund to retire a deficit in the HCTF as of June 30, 2005 (also in the Schools and Library budgets) and a 15% increase in premiums paid by the Town. Employees also pay a share of the 5.25% surcharge and premiums that increase by 15%. Changes in types of health insurance benefits offered, coupled with staff reductions, have reduced somewhat the amount of the projected cost increase.

To restrict the overall municipal budget increase to 3.6%, the Finance Committee recommends a combination of fee increases and staff and service reductions, offset by unavoidable increases in expenses. In the Finance Department line, a 25-hour position in the Collector's Office has been eliminated, adversely affecting staffing at the Central Services counter and the work of the Collector. The Legal Services line increases by only 3.6%, an effective cut because the hourly rate the Town is charged (unchanged since 2001) increased Jan. 1, 2006, to \$150 from \$125. The Information Technology budget increase includes \$11,791 for software relicensing agreements. Funding support (\$11,000) from the Water and Sewer Funds is increased to cover software support services to those enterprises. Public demand for up-to-date online services continues to increase beyond the capacity of current staff to meet it. In the Town Clerk's Office line, a 20-hour Customer Service Assistant position is eliminated, adding to the work burden for the remaining three employees and slowing their response to public requests, especially during busy election and Town Meeting periods. The Elections & Registration line increases by 146.8% (\$39,170) because there will be three elections in FY 07; only one was budgeted for FY 06. The Facilities Maintenance budget decreases by 6.5% for two reasons: First, the Facilities Director position funded wholly in the FY 06 municipal budget would be shared with the Schools in FY 07. Second, savings are expected from ongoing energy efficiency efforts and a new contract with an electricity supplier.

The adjustments to this budget reflect an effort to maintain core services as well as possible.

There are 32.92 FTE employees providing services in these budgets, a decrease of 1.95 from FY 06.

The Finance Committee voted 6-0, one absent, to recommend approval of this budget.

PUBLIC SAFETY

2.4% INCREASE FROM FY 06

16% OF GENERAL FUND OPERATING BUDGETS

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Projected	FY 07 Recommended	Change FY 06 - 07	Percent Change
Police Facility	\$ 143,071	140,151	144,095	137,669	143,602	5,933	4.3%
Police	\$ 3,502,731	3,704,190	3,689,964	3,853,904	3,874,589	20,685	0.5%
Fire/EMS	\$ 3,026,270	3,136,691	3,136,505	3,304,980	3,393,820	88,840	2.7%
Communications Center	\$ 440,576	466,412	468,211	492,785	568,189	75,404	15.3%
Animal Welfare	\$ 37,565	39,417	32,490	44,255	48,847	4,592	10.4%
TOTAL APPROPRIATION	\$ 7,150,214	7,486,861	7,471,265	7,833,593	8,029,047	195,454	2.5%

Public Safety is the largest segment of the Town's General Fund Operating Budget (45% of the five functional areas for FY 07). Services provided include police, fire, ambulance, emergency dispatch (communications center) and animal welfare.

With regret, the Finance Committee reduced from the Town Manager's proposed needs budget five additional police officers and a long-needed additional custodian for the police facility. Officers continue to leave for other police jobs with higher salaries and lower workloads than in Amherst. Given the time that is required to investigate serious crimes when they happen and the community's need for police presence to prevent such crimes, we believe the Amherst Police Department's ability to protect and serve the town's residents is already at a critically low level. Therefore, we recommend AGAINST any reduction in the number of current police officers.

In November 2005 Town Meeting authorized acceptance of a federal matching grant to add five additional full-time firefighters, bringing the force up to 45. As we explained at the time, accepting the grant committed the town to maintaining the positions. For FY 07, the town's share of the cost, \$99,665, will be covered by increased ambulance and inspection fees and increases in stipends for ambulance service paid by the towns of Hadley, Leverett, Pelham and Shutesbury and the University of Massachusetts. In future years the town will be responsible for increasing proportions of the total cost, assuming total responsibility in January 2010. The additional staff should relieve stress that contributed to a high injury rate. But the hoped-for ability to return to regular shifts of eight on duty instead of seven will not be met, since because of overall budget constraints, we recommend a reduction of \$42,000 in the requested Fire Department overtime budget.

The Communications Center maintains eight-hour shifts of two people on duty weekdays, three on weekend nights, 24 hours a day, seven days a week. They handle all the emergency and non-emergency police, fire and ambulance calls that come in, maintain contact with emergency personnel in the field, and locate other town officials and residents when an emergency requires their presence. On-duty dispatchers cannot leave their stations to eat; bathroom breaks are hurried. With a staff of only 11, when anyone is out sick, someone else must fill that shift on overtime. When off-duty staff are unavailable, those already on duty must stay to cover the vacant shift. Long hours plus the intrinsic stress of the job result in the departure of burned-out employees, the expensive and time-consuming need to train replacements, and the possibility that the public's safety could be affected adversely. Believing this chronic condition has reached a crisis, the Finance Committee recommends adding two full-time dispatchers at a cost of \$57,417 plus benefits. One position would be funded from Ambulance Receipts, the other from taxation.

Animal Welfare funds highly successful and well-regarded services. The increase in the budget includes \$1,000 for training for the Animal Welfare Officer formerly funded in the Police Department budget.

There are 114 FTE employees who accomplish the services of this functional area, up 2 from FY 06.

The Finance Committee voted 5-1, one absent, to recommend approval of this budget. One committee member opposes adding a tax-funded dispatcher position at a time when other municipal, school and library positions are being eliminated.

PUBLIC WORKS

3.6% INCREASE FROM FY 06

3% OF GENERAL FUND OPERATING BUDGETS

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Projected	FY 07 Recommended	Change FY 06 - 07	Percent Change
Public Works Administration	\$ 240,107	241,277	238,713	228,664	243,464	14,800	6.5%
Highway	\$ 525,944	615,782	574,243	579,499	581,137	1,638	0.3%
Snow & Ice Removal	\$ 160,181	197,140	282,334	148,286	176,540	28,254	19.1%
Street & Traffic Lights	\$ 115,221	123,107	115,461	103,107	105,887	2,780	2.7%
Equipment Maintenance	\$ 259,268	224,218	240,626	230,027	232,689	2,662	1.2%
Town Cemeteries	\$ 4,046	8,900	4,849	22,618	23,193	575	2.5%
Parks, Commons & Downtown Maintenance	\$ 226,429	237,553	251,315	243,435	246,200	2,765	1.1%
Tree Care & Pest Control	\$ 137,442	125,821	146,369	121,452	127,935	6,483	5.3%
TOTAL APPROPRIATION	\$ 1,668,639	1,773,798	1,853,909	1,677,088	1,737,044	59,956	3.6%

This functional area provides maintenance for most of the outdoor facilities of the Town as well as a few buildings. Public Works Administration oversees not only the General Fund public works activities and budgets, but also the activities and budgets of the Water, Sewer and Solid Waste Enterprise Funds. The Enterprise Funds make appropriate reimbursements for administrative costs to the General Fund.

In FY 05, Solid Waste appropriations were included in the General Fund budget. For FY 06 and FY07, the Solid Waste budget is again presented as an Enterprise Fund. For purposes of comparison to FY 07 and prior years, FY 05 solid waste revenues and expenditures are summarized in the Solid Waste Fund section even though for accounting purposes they are treated as General Fund revenues.

The Public Works Administration increase is due primarily to fuel and electricity costs that are about 30% higher than FY 05 actual expenditures. Increased construction permit fees are expected to bring in additional revenue of \$16,000.

The Highway budget provides personnel and supplies to maintain our existing roads (including line painting and road patching) and for small construction projects. Measures taken to reduce this budget's increase include changing the method for disposing of street sweepings (saving \$25,000) and postponing sidewalk repairs outside the downtown area (\$20,500).

The Snow and Ice budget provides overtime pay for plowing and sanding performed outside of the normal work day or beyond the standard 40-hour week. (Plowing and sanding performed during the workday is charged to other Public Works budgets.) This budget also provides funds for melting agents, sand, vehicle maintenance items such as wiper blades, flashers, beacon lights, etc., and one snowplow setup that is part of the annual replacement schedule. This budget's 19.1% percent increase is due to gasoline and diesel costs formerly charged to the Highway budget.

The Street and Traffic Lights budget provides funding to ensure the safety of those using public ways by maintaining Town-owned street lights and pedestrian and traffic signals in operating condition. Its operating expenses include billings for services of the electrician whose salary is shared by the Water and Sewer Funds. In order to partially offset this budget's increase, which is due almost entirely to increases in the cost of electricity, the Finance Committee recommends that no new street or traffic lights be installed.

Equipment Maintenance includes a 3-person crew to maintain and repair all vehicles and equipment used by Highway, Parks, and Tree Care personnel as well as those of the Water, Sewer and Solid Waste Enterprise Funds (with appropriate reimbursements to the General Fund by each of the Enterprise Funds). There are no changes to this budget for FY 07.

Parks and Commons provides funding for mowing and maintaining parks, commons and other green spaces around the Town; for maintaining athletic fields (including those at the schools); for maintaining park buildings; and for daily trash collection for the curbside trash receptacles downtown. By reducing mowing frequency (\$3,000) and using private donations (\$2,000) to offset the \$11,700 cost of the contract for downtown litter cleanup, this budget line grows by only 1.1%

There are 27.4 full-time-equivalent employees who provide services in this functional area, the same as in FY 06.

The Finance Committee voted 6-0, one absent, to recommend approval of this budget.

PLANNING/CONSERVATION/INSPECTIONS

11.0% INCREASE FY 06

2% OF GENERAL FUND OPERATING BUDGETS

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Projected	FY 07 Recommended	Change FY 06 - 07	Percent Change
Conservation	\$ 190,958	178,433	191,149	200,133	213,897	13,764	6.9%
Planning	\$ 294,151	298,613	248,612	263,205	298,988	35,783	13.6%
Inspection Services	\$ 268,504	332,336	298,715	345,799	385,163	39,364	11.4%
TOTAL APPROPRIATION	\$ 753,612	809,382	738,476	809,137	898,047	88,911	11.0%

This functional area provides services to monitor, protect, and enhance both the developed and undeveloped environments throughout the Town. This is accomplished through the protection of open space; long range planning for an orderly and appropriate development process; and the application of policies, regulations, state laws and local bylaws enacted to promote these goals.

The Conservation budget increase is due to step and cost of living salary increases. The hours of the part-time Land Management Assistant position increase from 20 to 30, funded by the Water Fund on a trial basis.

The Planning budget increase is due to step, cost of living and longevity salary increases.

The Inspection Services budget increases in part because an electrical inspector position increases from 15 to 24 hours per week, funded by electrical permit fee increases implemented Oct. 1, 2005. Step and cost of living salary increases make up the remaining increases in this budget.

There are 15.36 full-time-equivalent employees who provide services in this functional area, an increase of 0.64 FTEs from FY 05.

The Finance Committee voted 6-0, one absent, to recommend approval of this budget.

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FINANCE COMMITTEE REPORT - FY 07

COMMUNITY SERVICES

1.9% DECREASE FROM FY 06

4% OF GENERAL FUND OPERATING BUDGETS

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Projected	FY 07 Recommended	Change FY 06 - 07	Percent Change
Public Health	\$ 235,012	270,631	270,268	274,624	300,158	25,534	9.3%
Senior Center	\$ 228,289	190,715	178,638	190,799	207,831	17,032	8.9%
Community Services	\$ 54,966	224,179	211,049	206,308	117,901	(88,407)	-42.9%
Veterans' Serv. & Benefits	\$ 86,239	104,250	122,156	118,248	140,137	21,889	18.5%
Leisure Services & S.E.	\$ 509,587	563,606	571,143	606,447	631,164	24,717	4.1%
Pools	\$ 124,900	162,195	154,801	170,411	170,912	501	0.3%
Town Commemorations	\$ 447	875	0	875	875	0	0.0%
Golf Course	\$ 270,445	233,069	234,267	228,568	192,385	(36,183)	-15.8%
TOTAL APPROPRIATION	\$ 1,509,885	1,749,520	1,742,322	1,796,280	1,761,363	(34,917)	-1.9%

Community Services provides a variety of regulatory and service functions to the community. This broad array of functions includes public health; recreation; supplemental education; specialized services for veterans, seniors and children; and Town commemorations. It also provides oversight of contracted services provided by outside agencies to individuals.

In the Public Health budget, the outreach worker for Cambodian families is reduced from full time to three-quarters time. An increase in inspection fees (\$16,000) mostly offsets tax support for the environmental health secretary. The secretary handles paperwork, freeing inspectors to spend more time doing mandatory inspections.

In the Senior Center budget, the Town Manager's initial request to increase a part-time position to full time cannot be met due to financial constraints.

Also included in this budget is \$70,995 for Human Service Agency Funding and After-School Tuition Assistance to be distributed according to the recommendations of the Human Service Funding Committee. This amount is a decrease of \$70,000 from FY 06, or 52.7%. Finance Committee members recommend this reduction with great regret. For many years Amherst has donated money to outside agencies providing social services to Amherst residents, something few if any other Massachusetts communities do. But the money is needed for FY 07 to prevent drastic reductions in core municipal and school services. Agencies that received funding in FY 06 were Amherst Survival Center, Casa Latina, Center for Human Development (Big Brother/Big Sister), Family Outreach of Amherst, Not Bread Alone, Center for New Americans, Children's Aid and Family Services, Commuter Services (Homesharing, Amherst Family Center), Everywoman's Center, Men's Resource Center, Safe Passage, and Service Net (Interfaith Cot Program).

The Veterans Services & Benefits budget increases by \$20,000 to reflect current caseload. The Veterans Agent's caseload has increased, but the average length has decreased to six months or less. The Commonwealth reimburses the Town 75% of the cost of eligible claims as Cherry Sheet aid.

The Leisure Services budget covers youth and adult sports and supplemental education, community theater and performing arts, summer day camps and after-school programs, the Aquatic Center at the Middle School pool, and programs for people with special needs. Leisure Services staff manage \$1.1 million of fee-based programs that are accounted for as revolving funds and special accounts that do not appear in the budget. The budget includes \$85,000 in tax-funded subsidies for those who otherwise could not afford the fees. Also included is \$16,000 for utilities at the Middle School pool. Cost-cutting measures and fee increases for FY 07 reduce tax support by \$96,000. Cost-cutting includes reducing stipends for Community Theater volunteers, changing the venues for Community Theater and the National Ultimate Training Camp, and canceling the Hot Summer Nights program (\$4,500). Additional revenue comes from Youth and Adult Education class fee increases, new fees instituted for use of pavilions at the Mill River Recreation Area and Groff Park, and adding public-use hours during the day at the Middle School pool.

The Cherry Hill Golf Course budget is explained in detail on the next page, but its appropriation is included in the total appropriation for the Community Services budget.

There are 23.4 full-time equivalent employees in this budget, an increase of 0.25 from FY 06.

The Finance Committee voted 5-1, one absent, to recommend this budget. One member opposed appropriating any money for the Golf Course.

COMMUNITY SERVICES: GOLF COURSE

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	FY 07 If Enterprise Fund	Change
EXPENDITURES							
Operating Budget							
Personnel Services	\$ 168,811	139,415	132,249	122,035	106,096	127,954	21,858
Operating Expenses	\$ 101,634	93,654	102,017	103,293	83,049	104,418	21,369
Capital Outlay	\$ 0	0	0	3,240	3,240	3,240	0
Subtotal Operating Budget	\$ 270,445	233,069	234,267	228,568	192,385	235,612	43,227
General Fund Services	\$ 18,197	14,767	14,767	14,204	0	16,000	14,204
Debt Service	\$ 58,683	58,995	58,995	0	0	0	0
Capital Program	\$ 0	0	0	0	0	0	0
TOTAL APPROPRIATION	\$ 347,325	306,831	308,029	242,772	192,385	251,612	59,227
SUPPLEMENTAL INFORMATION							
Employee Benefits	\$ 0	0	0	0	21,858	0	(21,858)
Capital Appropriations	\$ 0	0	0	0	0	0	0
TOTAL DEPARTMENT COST	\$ 347,325	306,831	308,029	242,772	214,243	251,612	37,369
SOURCES OF FUNDS							
Green Fees	\$ 118,967	116,050	119,614	121,123	125,000	125,000	0
Cart Rentals	\$ 28,180	26,000	28,789	26,000	30,000	30,000	0
Food Sales	\$ 3,604	0	74	0	0	0	0
Beverage Sales	\$ 15,060	0		0	0	0	0
Pro Shop	\$ 5,206	5,000	5,328	5,000	5,000	5,000	0
Memberships	\$ 51,364	50,000	57,476	55,000	60,000	60,000	0
Other Receipts	\$ (2,257)	0	(753)	0	0	0	0
Interest	\$ 0	0	279	0	0	0	0
Taxation	\$ 127,201	109,781	109,781	35,649	0	31,612	31,612
TOTAL RESOURCES	\$ 347,325	306,831	320,587	242,772	220,000	251,612	31,612
POSITIONS							
Full Time	2.00	2.00	1.00	1.00	1.00	1.00	0.00
Part Time With Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Full Time Equivalents	2.00	2.00	1.00	1.00	1.00	1.00	0.00

This budget funds the operation of the Cherry Hill Golf Course. While the explanation is on this page, the golf course budget is included in the Community Services budget appropriation on the previous page.

The course has not generated enough operating revenue to be self-supporting for most of the years the Town has owned it (since 1989), at least as self-supporting is defined by the standards of an enterprise fund charged for a payment in lieu of taxes, General Fund Services, employee benefits, and building and liability insurance. For FY 07, the golf course is treated as a department within the Community Services functional area of the municipal operating budget.

The recommended appropriation of \$192,385 is 20.8% less than for FY 06, mainly because it no longer includes charges for employee benefits (\$21,858, budgeted for FY 07 in Human Resources along with other General Fund Town employees), and building and liability insurance (\$5,712, budgeted for FY 07 in General Services along with other General Fund insurance costs). If the golf course were an enterprise fund, it would require tax funding of \$31,612 in FY 07 to cover these services. After subtracting payments in lieu of taxes (\$16,012) and General Fund Services (\$16,000 to reimburse the General Fund for services provided by various departments), the net tax subsidy is \$0.

If the golf course were to close at the beginning of FY 07, it would cost the town more than \$18,000 to cover costs of liability and building insurance (\$5,712), retirement assessment (\$8,644), minimum maintenance and oversight (at least \$4,000), and development of another active recreational use as required under the state grant used to purchase the course. No plan for an alternate use has been proposed.

COMMUNITY SERVICES: GOLF COURSE

Fee increases for the current season are expected to generate an additional \$23,000 in revenue for FY 07, but to be conservative we are budgeting for \$13,000 in additional revenue. The one FTE plus seasonal help will operate the course, as in FY 05 and 06.

While the Finance Committee has taken no position on petition Warrant article 39, which recommends that the Select Board issue a request for lease or management proposals, the committee notes that any such proposal would be more likely to attract interest if the Cherry Hill Golf Course is operating in FY 2007.

The Finance Committee voted 6-1 to recommend this budget. One member opposed appropriating any money for the Golf Course.

FINANCE COMMITTEE REPORT - FY 07

GENERAL FUND INDEBTEDNESS

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Per Cent Change
Middle School Roof	\$ 60,118	61,179	61,179	0	0	0	0.0%
High School Renovations	\$ 534,348	494,374	271,431	230,656	382,217	151,561	65.7%
Town Hall	\$ 272,880	264,280	220,740	168,600	0	(168,600)	-100.0%
Town Hall Renovations Refunding (2005)	\$ 0	0	32,614	79,250	238,650	159,400	201.1%
Agricultural Pres Rest	\$ 10,382	10,192	10,192	9,289	9,515	226	2.4%
Police Facility	\$ 352,187	345,651	345,651	337,460	299,596	(37,864)	-11.2%
Jones Library	\$ 72,678	71,459	71,459	69,696	65,622	(4,074)	-5.8%
Bangs Community Center	\$ 46,438	45,588	45,588	45,127	51,007	5,880	13.0%
Mapping & Computer Upgrades	\$ 123,010	0	0	0	0	0	0.0%
Crocker Farm Renovation	\$ 46,500	290,750	290,750	286,250	281,750	(4,500)	-1.6%
Town Center Sidewalks	\$ 70,560	69,025	69,025	67,474	26,358	(41,116)	-60.9%
Sidewalks (2005)	\$ 0	0	4,315	90,438	88,338	(2,100)	-2.3%
Wildwood Roof	\$ 81,999	80,488	80,488	78,960	77,319	(1,641)	-2.1%
Street Lights	\$ 38,001	37,188	37,188	36,365	35,481	(884)	-2.4%
Landfill Cell III	\$ 120,735	116,645	116,645	108,028	0	(108,028)	-100.0%
Interest on Temporary Debt	\$ 1,504	20,000	0	20,000	20,000	0	0.0%
Deferred Teachers' Payroll	\$ 56,514	56,514	56,514	56,514	56,514	0	0.0%
Crocker Farm Renovation	\$ 212,024	57,095	57,095	123,863	58,743	(65,120)	-52.6%
Plum Brook Recreation Fields	\$ 0	0	0	70,200	68,180	(2,020)	-2.9%
High School Roof	\$ 0	0	0	15,203	38,283	23,080	151.8%
TOTAL APPROPRIATION	\$ 2,099,878	2,020,428	1,770,872	1,893,373	1,797,573	(95,800)	-5.1%

Payments for the High School addition and renovation project and for the High School roof are made in response to assessments by the Amherst-Pelham Regional Schools. The High School addition and renovation is funded by a Proposition 2 ½ debt exclusion, which means annual debt service payments are added to the tax levy only until the debts are fully paid, which will occur in 2018. The High School roof debt service is interest on temporary bonds. The district plans to pay interest only through FY 08 when it is expected to issue permanent debt concurrent with anticipated reimbursements from the new Massachusetts School Building Authority (MSBA).

The Town refinanced Town Hall bonds, originally issued in 1996, in March 2005 and realized a net present value savings of \$101,904, or just over 6%. Savings will be spread over the remaining eleven years of debt service. Included in the same bond issue was \$600,000 for Town Center Improvements/Sidewalks authorized by Town Meeting in 2004.

The Deferred Teachers' Payroll is for elementary school teachers' payroll liability accrued in FY 92 and FY 93 under a state-authorized option to budget for only 10 of the 12 months of the teachers' payroll while continuing to pay them the full amounts earned. The liability is the lingering effect of the economic downturn that occurred in the early 1990's when the town used every means at its disposal to balance budgets. The FY 07 payment is the eleventh of fifteen, all in the same amount.

The last payment of debt for closure of the landfill (\$108,028) was made in FY 06.

There are two bond issues related to the renovation of Crocker Farm School. One issue, for \$5,505,000, is temporary debt in anticipation of reimbursement from the state through the School Building Assistance Program. The second issue, for \$3 million in permanent debt, is the Town's estimated share of the cost of the project.

FY 07 debt service includes estimated principal and interest of \$68,180 for the Plum Brook Recreation Fields project, the second of 10 years' anticipated debt service on a \$500,000 bond issue previously authorized by Town Meeting for the project. Community Preservation Act funds have been committed to fund 2/3 of the debt service (\$45,000 in FY 07). Taxation funds the remaining 1/3 (\$23,180 in FY 07).

Appendix C provides more detail about Town debt.

The Finance Committee voted 6-0, one absent, to recommend approval of this budget.

22
FINANCE COMMITTEE REPORT - FY 07

LIBRARY SERVICES

4.5% INCREASE FROM FY 05
5.5% INCREASE IN TAX SUPPORT

4% OF GENERAL FUND OPERATING BUDGETS

EXPENDITURES	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Public Services	\$ 852,184	852,127	840,127	973,509	1,020,288	46,779	4.8%
Special Collections	\$ 95,327	98,786	98,786	104,451	110,827	6,376	6.1%
English as a Second Language	\$ 24,478	24,839	24,839	31,294	33,892	2,598	8.3%
Munson Library	\$ 75,157	77,961	77,961	82,482	84,625	2,143	2.6%
North Amherst Library	\$ 66,145	69,698	69,653	76,019	79,451	3,432	4.5%
Technical Services	\$ 156,078	162,903	163,281	216,587	227,389	10,802	5.0%
Administration	\$ 345,280	376,588	372,667	230,984	244,096	13,112	5.7%
Building Maintenance	\$ 176,088	174,197	176,242	231,155	232,628	1,473	0.6%
TOTAL APPROPRIATION	\$ 1,790,737	1,837,099	1,823,556	1,946,481	2,033,196	86,715	4.5%
0							
SOURCES OF FUNDS	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Proposed	Change FY 05 - 06	Percent Change
Public funds							
Tax support	\$ 1,214,999	1,291,796	1,285,264	1,371,327	1,446,695	75,368	5.5%
Town Trust Funds	519	-			-	0	0.0%
State Aid to Libraries	\$ 69,200	64,463	64,463	80,314	83,215	2,901	3.6%
Subtotal	\$ 1,284,718	1,356,259	1,349,727	1,451,641	1,529,910	78,269	5.4%
Private Funds							
Jones Inc support	\$ 473,985	444,840	437,829	432,340	451,074	18,734	4.3%
Annual Fund Drive & Bk Fds	25,000	32,000	32,000	36,500	48,212	11,712	32.1%
Friends Donation	6,000	4,000	4,000	4,000	4,000	0	0.0%
Jones Inc. Reserves	\$			22,000		(22,000)	-100.0%
Subtotal	504,985	480,840	473,829	494,840	503,286	8,446	1.7%
TOTAL	1,789,703	1,837,099	1,823,556	1,946,481	2,033,196	86,715	4.5%

Library services are provided at the Jones Library, the North Amherst Library and the Munson Memorial Library in South Amherst. The mission of the libraries is to provide access to materials, to assist people in their quest for information, to preserve the history of this region and to serve as a meeting place for the community's educational and cultural pursuits. The libraries offer information in the form of print, audiovisual and electronic media including 24-hour service over their website. The Jones Library holds collections of historical and literary significance related to the Town and its residents. The libraries currently offer programs to encourage children to read, to help people whose native language is not English to learn English, and to teach people how to use electronic information resources. Art display space and meeting rooms are used by over 200 community groups as well as individual citizens.

The Finance Committee voted unanimously to recommend approval of a budget of \$2,033,196 for Library Services and appropriation of \$1,446,695 in tax support. This 5.5% increase in tax support includes \$26,000 in state aid provided in the House budget but not included in the Governor's. The extra aid, together with a significant increase in fund raising, fully funds the Trustees' approved budget.

The Jones Trustees' policy is to use 5 percent of the three-year rolling average value of the endowment to support the libraries. This upper limit was established in order to ensure the endowment's capacity to keep up with inflation and provide support in future years. This limit has proved hard to observe, particularly given low investment return in recent years. They plan to use 5.6 percent of the value for the third year in a row.

State aid to libraries for FY 07 marks two years of increases, but still leaves this account more than \$8,000 below what it was for FY 03. Fund raising continues to be an important part of library support.

LIBRARY SERVICES

The increase in the budget for FY 07 is a consequence of contracted pay increases, rising utility costs and the dramatic rise in health insurance premiums. Among decreases from current expenditures are \$2,900 in reduced hours of a Circulation Supervisor, \$8,320 from opening branch libraries 5 half-days per week instead of 6 half-days (funded in FY 06 by a gift) and \$3,300 in reduced hours of non-benefited Circulation staff. The plan to increase hours of a computer technician to full time from 30 hours per week will not be carried out. The budget for library materials will be reduced by \$5,200 from the originally budgeted amount as allowed by rules for eligibility for state aid to libraries.

AMHERST ELEMENTARY SCHOOLS

4.38% INCREASE FROM FY 06

38% OF GENERAL FUND OPERATING BUDGETS

RECOMMENDED: Appropriation of \$19,264,119.

The Finance Committee voted 7-0 to recommend approval of this appropriation for operation of the Town's elementary schools in FY 07. The amount of the appropriation is an increase of 4.38% over the current year.

According to information available now (May 4), Chapter 70 state aid for education for FY 07 will increase by about \$439,200 over the FY 06 amount, but the amount could change when the state budget is finally adopted. The Elementary Schools budget has been increased over the 3.6% level to 4.38% by \$144,000 in state aid above what was expected earlier in the spring.

The original level services budget presented in January showed an increase of 10.6%. A substantial part of this increase was for contracted salary adjustments and higher insurance and energy costs. The remainder was for added staff, supplies and other items needed to provide services in FY 07 equivalent to those in FY 06. In response to the Town's financial situation, reductions to the budget were identified in two lists. The Tier I reductions totaled \$956,692, resulting in a \$19,470,690 budget, an increase over the current year of 5.5%. The School Committee voted to approve it. The largest part of the reductions – more than four-fifths – was in staff positions. Even so, the fundamental structure of the schools was left intact. The Tier II list included items costing \$306,100 that, if cut, would bring the budget down to a 3.6% increase. Funding is recommended here for the highest priority items of Tier II, requiring about \$144,000 in all: \$50,616 for a classroom teacher at Wildwood School to prevent excessively large class size, \$27,312 to preserve the homework clubs at all schools and the remainder for a combination of intervention services and library/computer paraprofessionals.

The staff reductions from the level services budget include a few new positions that will not be added as well as several actual reductions from existing positions. It should be noted that some of the lost positions would not cause actual job losses. In a few instances, retirements and reassignments are involved. The reductions from existing positions are 1.29 FTE clerical, 15.69 paraprofessional positions and 6.45 teaching positions. New positions not added are 4.1 teaching positions and .25 maintenance (an electrician proposed to be shared with the Regional Schools and municipal budgets).

On the Elementary School budget pages that follow, staff salaries are adjusted to include pay increases. All of the costs associated with the changes in staff positions are shown in the Other Programs section of the budget.

Amherst Public Schools Student Enrollment Summary				
Grade	FY 06 Projected	FY 06 Actual	FY 07 Projected	Increase/(Decrease)
Pre-School	70	70	70	0.00
K	203	190	195	5.00
1	196	193	194	1.00
2	193	200	201	1.00
3	215	206	206	0.00
4	194	204	204	0.00
5	212	206	213	7.00
6	212	213	213	0.00
In-House:	1495	1482	1496	14.00
Choice, Charter):	21	17	17	0.00
Totals:	1516	1499	1513	14.00

Amherst Public Schools Staffing Summary (Full-Time Equivalents)						
	FY 06 Current		FY 07 Proposed		Increase/(Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	12.60		12.60		0.00	0.00
Teachers	165.97	3.59	159.52	1.75	(6.45)	(1.84)
Paraprofessionals	88.73	8.4	73.04	19.95	(15.69)	11.55
Clerical/Media/Other	23.45		22.16	0.05	(1.29)	0.05
Maint./Cust./Trans.	16.5		16.50		0.00	0.00
Nurses	2.25		2.25		0.00	0.00
Information Systems	3.13		3.13		0.00	0.00
Totals:	312.63	11.99	289.2	21.75	(23.43)	9.76

AMHERST ELEMENTARY SCHOOLS

TOTAL INSTRUCTION
4.8% INCREASE FROM FY 06

62% OF AMHERST ELEMENTARY SCHOOL BUDGET

Instruction	FY04 ACTUAL	FY05 ACTUAL	FY06 ORIG BUD	FY06 CUR BUDGET	FY07 REQUESTED	DIFF	% DIFF
Regular Instruction							
Kindergarten	\$645,166	\$690,894	\$677,556	\$715,135	\$708,365	(\$6,770)	-0.95%
Art	201,397	208,052	230,773	219,400	233,607	14,207	6.48%
Music	405,198	407,484	431,309	400,086	411,105	11,019	2.75%
Physical Education	197,534	207,100	213,591	213,591	222,364	8,773	4.11%
Reading	225,386	253,256	259,697	262,351	274,657	12,306	4.69%
Computer Instruction	200,449	231,028	229,651	223,161	237,205	14,044	6.29%
Resource Programs	118,373	51,952	53,566	53,754	55,893	2,139	3.98%
World Language	0	0	0	0	0	0	0.00%
Reg Ed Classroom Instr	3,926,313	3,922,868	4,015,107	3,864,756	4,158,098	293,342	7.59%
Classroom Prog Support	41,173	70,898	90,630	89,933	93,320	3,387	3.77%
Program Devel/Improv	28,903	13,298	16,733	16,289	22,733	6,444	39.56%
Summer School	0	27,250	23,840	24,740	23,840	(900)	-3.64%
Other Programs	90,000	107,593	178,709	178,709	133,176	(45,533)	-25.48%
Total Regular Instruction	\$6,079,893	\$6,191,673	\$6,421,162	\$6,261,905	\$6,574,363	\$312,458	4.99%
Total Bilingual Education	768,585	820,315	878,030	881,467	925,754	44,287	5.02%
Special Education							
Sped Administration	\$212,745	\$236,606	\$262,632	\$280,019	\$292,134	\$12,115	4.3%
Pre-School Program	310,094	352,665	356,276	469,819	495,048	25,229	5.4%
Instructional Programs	1,126,605	1,138,303	1,185,931	1,213,037	1,245,238	32,201	2.7%
Psych Services	138,614	184,296	184,252	183,852	184,399	547	0.3%
Speech & Hearing	314,633	330,833	345,889	345,889	355,442	9,553	2.8%
Contracted Services	1,549,618	1,642,121	1,687,240	1,672,720	1,770,268	97,548	5.8%
Total Special Education	\$3,652,309	\$3,884,825	\$4,022,220	\$4,165,336	\$4,342,529	\$177,193	4.3%
Total Sub & Temp Staffing	151,700	160,602	170,616	175,037	188,903	13,866	7.9%
Total Other Programs & Services	11,120	7,310	11,640	8,350	11,640	3,290	39.4%
Total Instruction	\$10,663,607	\$11,064,725	\$11,503,668	\$11,492,095	\$12,043,189	\$551,094	4.8%

Instruction is the largest section of the Elementary Schools budget. It covers both regular and special education programs at all of the Town's elementary schools as well as special education out-of-district placements. It includes instructional staff, basic instructional supplies, costs associated with program and curriculum review and improvement, and substitute teacher accounts.

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FINANCE COMMITTEE REPORT - FY 07

AMHERST ELEMENTARY SCHOOLS

INSTRUCTIONAL SUPPORT
4.21% INCREASE FROM FY 06

14% OF AMHERST ELEMENTARY SCHOOL BUDGET

	FY04 ACTUAL	FY05 ACTUAL	FY06 ORIG BUD	FY06 CUR BUDGET	FY07 REQUESTED	DIFF	% DIFF
Instructional Support							
Support Services							
Libraries	\$378,653	\$383,873	\$322,701	\$334,961	\$342,341	\$7,380	2.20%
Production Supp Center	43,147	43,088	46,127	46,315	48,589	2,274	4.91%
Media Support Center	27,339	27,671	30,168	30,168	32,293	2,125	7.04%
Pps Admin	10,677	11,756	10,257	38,248	46,971	8,723	22.81%
Guidance	278,864	281,476	281,698	290,401	307,568	17,167	5.91%
Health Services	195,016	209,708	220,027	244,313	250,280	5,967	2.44%
Staff Development	65,352	52,017	22,410	22,146	22,310	164	0.74%
Total Support Services	\$999,048	\$1,009,589	\$933,388	\$1,006,552	\$1,050,352	\$43,800	4.35%
Administrative Services							
School Committee	\$6,602	\$14,940	\$8,950	\$8,950	\$8,950	0	0.00%
Superintendent	224,683	219,473	223,302	176,321	167,457	(8,864)	-5.03%
Human Resources & Diversity	94,640	116,933	97,503	121,850	126,603	4,753	3.90%
Business Office	146,629	159,633	165,229	170,090	177,025	6,935	4.08%
Information Systems	255,525	271,091	298,044	325,889	328,360	2,471	0.76%
CF Admin	246,115	267,097	257,439	250,282	260,059	9,777	3.91%
FR Admin	241,577	232,600	246,618	230,029	275,912	45,883	19.95%
MM Admin	153,900	153,858	160,528	166,346	169,878	3,532	2.12%
VVV Admin	262,181	279,598	253,016	260,874	267,108	6,234	2.39%
Total Administrative Services	\$1,631,851	\$1,715,224	\$1,710,629	\$1,710,631	\$1,781,352	\$70,721	4.13%
Total Instructional Support	\$2,630,899	\$2,724,812	\$2,644,017	\$2,717,183	\$2,831,704	\$114,521	4.21%

Major components of Support Services are libraries, production and media support centers, guidance and health services, and staff development. The Administrative Services budget provides funds for the Amherst Schools' portion of the administrative functions shared with the Amherst-Pelham Regional School District and the Town of Pelham.

AMHERST ELEMENTARY SCHOOLS

OPERATIONAL SUPPORT
13.64% INCREASE FROM FY 06

25% OF AMHERST ELEMENTARY SCHOOL BUDGET

Operational Support	ACTUAL	ACTUAL	ORIG BUD	BUDGET	REQUESTED	DIFF	DIFF
Facility Management							
Facility Administration	\$86,978	\$85,700	\$89,390	\$90,339	\$92,865	\$2,526	2.80%
Custodial Serv	495,886	475,763	472,796	472,351	485,700	13,349	2.83%
Maintenance Services	220,653	206,487	226,454	226,181	231,039	4,858	2.15%
Utilities	275,536	353,762	343,255	431,198	479,212	48,014	11.14%
Total Facilities Management	\$1,079,053	\$1,121,713	\$1,131,895	\$1,220,069	\$1,288,816	\$68,747	5.63%
Total Transportation	211,702	202,900	226,760	223,760	246,829	23,069	10.31%
Other Support Services							
Food Services	\$0	\$0	\$0	\$0	\$0	\$0	0.00%
Risk & Benefit Mgmt	1,957,113	2,236,398	2,827,654	2,905,144	3,406,328	501,184	17.25%
Total Other Support Services	\$1,957,113	\$2,236,398	\$2,827,654	\$2,905,144	\$3,406,328	\$501,184	17.25%
Total Operation Support Services	\$3,247,868	\$3,561,011	\$4,186,309	\$4,348,973	\$4,941,973	\$593,000	13.64%

Operational Support includes maintenance and custodial services for all elementary schools, utilities, some elementary transportation, insurance and food service.

OTHER PROGRAMS

Control Accts	24,523	7,289	121,720	(102,537)	(346,176)	(243,639)	237.61%
Fin Comm Reserve Fund Transfer	0	96,261	0	0	0	0	0.00%
Total Other & Control Accts	24,523	103,550	121,720	(102,537)	(346,176)	(243,639)	237.61%
TOTAL BUDGET REQUEST	\$16,566,897	\$17,454,098	\$18,455,714	\$18,455,714	\$19,470,690	\$1,014,976	5.50%

Control Accounts includes the dollar amounts associated with staff changes throughout the budget.

AMHERST-PELHAM REGIONAL SCHOOLS

**5.28% INCREASE FROM FY 05
13.3% INCREASE IN ASSESSMENT**

23% OF GENERAL FUND OPERATING BUDGETS

RECOMMENDED: Budget approval of \$26,704,016 budget

RECOMMENDED: Appropriation of \$11,904,067 for assessment.

The Finance Committee voted 7-0 to recommend appropriation of \$11,904,067 as Amherst's share of the Regional Schools' budget for FY 07, which could be as high as \$26,704,016, an increase of 5.28% over the current year. The assessment amount was calculated using Chapter 70 aid to education as it was estimated May 4, and it is sufficient to support a budget of just \$26,472,137 under that assumption. Should the final state Chapter 70 funds exceed the anticipated amount, funds will be available to the schools up to the amount equal to the School Committee's 5.28% budget. Any funds in excess of that amount will become savings in the Excess and Deficiency account. The amount of the assessment would not be affected.

The assessment increases 13.3%. Virtually all of the budget increase is due to contracted salary adjustments and higher insurance and energy costs. The very large increase in the assessment has several causes. The largest single cause has to do with state aid, which now provides about 35% of the financial support for the schools. The Regional Schools have relatively few sources of income: assessments to the towns, state aid, a few fees (participation in athletics is one) and other miscellaneous items. The amount of state aid has remained flat for several years. The projected amount for FY 07, \$9,440,285, is only \$21,000 more than the FY 02 amount. Annual increases in the budget of about 4% are required in order to keep up with ordinary inflation. Assessments have disproportionate increases to make up for the lack of increase in aid. Thus, assessments have become a growing proportion of school funding.

Assessments to the towns are higher for FY 07 as a result of some one-year adjustments. These include having to make up for \$600,000 in Excess and Deficiency funds (the Regions' saving account) used in FY 06 but not available for FY 07, a large increase in debt service for the Middle School renovation project due to the shift from temporary debt with payment of interest only to 20-year debt with payments of interest and principal (net increase of \$250,000), and lower anticipated reimbursement for Medicaid costs (\$100,000). For Amherst, about \$125,000 of its assessment results from the change to the enrollment-based method of calculating assessments. There will be a similar increase in FY 08, the second and last year of the transition.

The original level services budget presented in January showed an increase of 10.9%. A substantial part of this increase was for contracted salary adjustments and higher insurance and energy costs. The remainder was for added staff, supplies and other items needed to provide services in FY 07 equivalent to those in FY 06. In response to the towns' financial situations, especially Amherst and Pelham, reductions to the budget were identified in two lists. The Tier I reductions totaled \$1,414,666, resulting in the recommended \$26,704,106 budget. The School Committee voted to approve it. The largest part of the reductions – more than four-fifths – was in staff positions. Even so, the fundamental structure of the schools was left intact. The Tier II list included items costing \$577,297 that, if cut, would bring the budget down to a 3% increase. Under the one-year amendment to the Regional Agreement (see Article 26), only \$231,897 of the Tier II cuts were necessary. A 4.36% budget requires the loss of several actual staff positions. They include 13.8 FTE teachers, 5.6 paraprofessionals, 3 clerical positions and 1 administrative position. If state aid is sufficient to support the 5.28% budget, a few of those positions could be retained.

On the Regional School budget pages that follow, staff salaries are adjusted to include pay increases. All of the costs associated with the changes in staff positions are shown in the Other Programs section of the budget.

Capital projects. Debt payment by Amherst in FY 07 for the High School renovation project (\$382,217) is funded by a Proposition 2 1/2 debt exclusion. Payment for the Middle School renovations is to be paid with Regional Stabilization Fund money and is included in the assessment.

AMHERST-PELHAM REGIONAL SCHOOLS

Amherst-Pelham Regional School District Student Enrollment Summary				
Grade	FY 06 Projected	FY 06 Actual	FY 07 Projected	Increase/(Decrease)
7	285	289	296	7.00
8	287	289	290	1.00
9	326	333	301	(32.00)
10	319	334	323	(11.00)
11	359	358	337	(21.00)
12	295	321	330	9.00
In-House:	1871	1924	1877	(47.00)
Choice, Charter):	143	138	143	5.00
Totals:	2014	2062	2020	(42.00)

Amherst-Pelham Regional School District Staffing Summary (Full-Time Equivalents)						
	FY 06 Current		FY 07 Proposed		Increase/(Decrease)	
	Regular	Grant	Regular	Grant	Regular	Grant
Administrators	15.86	0.04	15.86	0.04	0.00	0.00
Teachers	185.64	16.86	171.84	16.86	(13.80)	0.00
Paraprofessionals	62.61	19.29	57.01	19.29	(5.60)	0.00
Clerical/Media/Other	25.48	0.75	22.44	0.75	(3.04)	0.00
Maint./Cust./Trans.	34.85		34.85		0.00	0.00
Nurses	1.00	1.35	1.00	1.35	0.00	0.00
Information Systems	3.75		3.75		0.00	0.00
Totals:	329.19	38.29	306.75	38.29	(22.44)	0.00

AMHERST-PELHAM REGIONAL SCHOOLS

TOTAL INSTRUCTION
6.2% INCREASE FROM FY 06

56% OF REGIONAL SCHOOL BUDGET

Instruction	FY04 ACTUAL	FY05 ACTUAL	FY06 ORIG BUD	FY06 CUR BUDGET	FY07 EXEC Level	DIFF	% DIFF
Regular Education							
English	\$1,023,468	\$974,807	\$1,049,004	\$1,010,139	\$1,058,966	\$48,827	4.8%
Mathematics	1,044,731	1,035,258	1,094,966	1,045,602	1,081,596	35,994	3.4%
Science	1,073,613	1,044,381	1,117,910	1,057,693	1,092,068	34,375	3.2%
Social Studies	953,962	887,569	921,621	948,223	1,013,991	65,768	6.9%
Health Education	130,724	128,929	166,347	137,732	141,912	4,180	3.0%
Art	322,540	333,879	349,541	357,514	339,054	(18,460)	-5.2%
World Language	845,047	874,622	914,277	917,333	961,915	44,582	4.9%
Music	226,334	209,783	220,651	220,458	221,812	1,354	0.6%
Physical Education	381,039	384,752	388,540	341,636	361,284	19,648	5.8%
Reading	227,409	232,532	236,364	237,666	247,784	10,118	4.3%
Business Education	87,557	64,916	68,163	76,597	79,439	2,842	3.7%
Family & Consumer Educ.	224,954	231,916	241,112	241,112	234,364	(6,748)	-2.8%
Technology Education	237,336	256,556	268,382	276,623	289,027	12,404	4.5%
Computer Instruction	182,376	203,224	210,678	202,206	238,497	36,291	17.9%
Performing Arts	91,855	101,354	107,517	116,285	121,768	5,483	4.7%
Summer/Other Programs	376,460	721,876	600,305	599,396	645,805	46,409	7.7%
Classroom/Prog Support	159,571	153,474	158,000	163,637	164,723	1,086	0.7%
Program Development	4,140	2,509	2,600	2,600	2,600	0	0.0%
Total Regular Education	7,593,115	7,842,337	8,115,978	7,952,452	8,296,605	344,153	4.3%
Total Bilingual Education	\$244,810	\$319,894	\$313,187	\$318,854	\$342,952	\$24,098	7.6%
Special Education							
Sped Admin	\$245,255	\$249,097	\$251,692	\$315,044	\$343,550	\$28,506	9.0%
Sped Instruction	942,357	1,170,122	1,232,841	1,230,985	1,281,423	\$50,438	4.1%
Psych Services	101,368	141,839	142,138	127,934	136,723	\$8,789	6.9%
Speech & Hearing	50,415	63,648	69,022	68,790	81,419	\$12,629	18.4%
Contracted Services	2,182,968	2,274,938	2,297,523	2,185,490	2,423,832	\$238,342	10.9%
Alternative Programs	565,147	570,612	626,361	671,066	733,540	62,474	9.3%
Total Special Education	4,087,510	4,470,256	4,619,577	4,599,309	5,000,487	401,178	8.7%
Total Subs/Temp Staffing	\$139,804	\$133,963	\$138,001	\$141,622	\$156,588	\$14,966	10.6%
Total Vocational Education	\$438,729	\$451,622	\$572,880	\$597,734	\$633,825	\$36,091	6.0%
Student Programs							
Athletics	292,982	230,100	242,686	355,301	405,688	50,387	14.2%
Student Activities	65,079	58,861	59,410	66,613	67,543	930	1.4%
Driver Education							
Total Student Programs	\$358,061	\$288,961	\$302,096	\$421,914	\$473,231	\$51,317	12.2%
Total Instruction	\$12,862,030	\$13,507,032	\$14,061,719	\$14,031,885	\$14,903,688	\$871,803	6.2%

The instruction section of the budget covers regular and special education at the Regional Middle School and High School. It includes costs of instructional staff, basic instructional supplies, special education out-of-district placements, program and curriculum review and improvement, substitute teacher accounts, vocational school tuitions, athletics and various student programs.

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FINANCE COMMITTEE REPORT - FY 07

AMHERST-PELHAM REGIONAL SCHOOLS

INSTRUCTIONAL SUPPORT
2.5% INCREASE FROM FY 06

15% OF REGIONAL SCHOOL BUDGET

Instructional Support	FY04 ACTUAL	FY05 ACTUAL	FY06 ORIG BUD	FY06 CUR BUDGET	FY07 EXEC Level	DIFF	% DIFF
Support Services							
Libraries	274920.11	265988.41	275955	282491	274779	-7712	-2.7%
Production Support Center	56284.59	53716.52	63968	64180	66744	2564	4.0%
Media Support Center	25539.3	24279.23	31788	30970	32487	1517	4.9%
Pupil Personnel (Pps)	11863.58	10911.16	10911	40689	49969	9280	22.8%
Guidance	639353.34	701743.65	752878	791273	817830	26557	3.4%
Health Services	101916.95	113154.08	116657	126053	132681	6628	5.3%
Staff Development	49656.99	65422.52	50502	55198	48202	-6996	-12.7%
Total Support Services	\$1,159,535	\$1,235,216	\$1,302,659	\$1,390,854	\$1,422,692	\$31,838	2.3%
Administrative Services							
School Committee	\$64,602	\$48,098	\$58,666	\$59,266	\$59,469	\$203	0.3%
Superintendent	275,950	244,753	251,615	288,405	285,665	(2,740)	-1.0%
Human Resources & Diversity	117,114	138,267	119,299	125,984	130,817	4,833	3.8%
Business Office	191,558	222,447	209,695	199,694	190,689	(9,005)	-4.5%
Information Systems	335,037	386,753	441,375	520,894	527,343	6,449	1.2%
Senior High Administration	649,767	709,557	781,159	821,541	870,017	48,476	5.9%
Middle Sch Administration	396,782	446,635	465,169	484,523	507,773	23,250	4.8%
Other Services	10,200	10,205	10,035	15,218	10,035	(5,183)	-34.1%
Total Administrative Services	\$2,041,010	\$2,206,714	\$2,337,013	\$2,515,525	\$2,581,808	\$66,283	2.6%
Total Instructional Support	3,200,545	3,441,930	3,639,672	3,906,379	4,004,500	98,121	2.5%

The Administrative Services budget provides funds for the Regional Schools' share of Amherst, Pelham and Regional administrative functions and the cost of administration of the Middle and High School building.

AMHERST-PELHAM REGIONAL SCHOOLS

OPERATIONAL SUPPORT
10.9% INCREASE FROM FY 06

32% OF REGIONAL SCHOOL BUDGET

Operational Support	FY04 ACTUAL	FY05 ACTUAL	FY06 ORIG BUD	FY06 CUR BUDGET	FY07 EXEC Level	DIFF	% DIFF
Facility Management							
Facility Administration	\$81,141	\$85,687	\$85,941	\$86,950	\$89,549	\$2,599	3.0%
Custodial Services	585,554	610,421	628,086	626,946	652,573	25,627	4.1%
Maintenance Services	242,943	238,963	225,533	247,794	253,537	5,743	2.3%
Utilities	525,412	725,829	657,480	841,760	931,813	90,053	10.7%
Total Facility Management	1,435,050	1,660,899	1,597,040	1,803,450	1,927,472	124,022	6.9%
Total Transportation Services	\$1,401,265	\$1,499,054	\$1,658,178	\$1,680,973	\$1,733,530	\$52,557	3.1%
Other Support Services							
Food Services	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Risk & Benefit Administration	3,123,644	3,469,466	4,152,827	4,336,780	5,014,833	678,053	15.6%
Total Other Support Services	\$3,123,644	\$3,469,466	\$4,152,827	\$4,336,780	\$5,014,833	\$678,053	15.6%
Total Operational Support	\$5,959,959	\$6,629,419	\$7,408,045	\$7,821,203	\$8,675,835	\$854,632	10.9%

The Risk and Benefit Administration line covers insurance and retirement costs.

OTHER PROGRAMS

Other Programs							
Short Term Debt	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
Control Accounts	19,448	3,961	256,311	(393,720)	(880,007)	(486,287)	123.5%
Total Other & Control	\$19,448	\$3,961	\$256,311	(\$393,720)	(\$880,007)	(\$486,287)	123.5%
Total Other Programs	\$19,448	\$3,961	\$256,311	(\$393,720)	(\$880,007)	(\$486,287)	123.5%
Total Budget Request	\$22,041,982	\$23,582,343	\$25,365,747	\$25,365,747	\$26,704,016	\$1,338,269	5.28%

Control Accounts shows the net dollar amount of staff reductions and additions throughout the budget.

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FINANCE COMMITTEE REPORT - FY 07

WATER FUND

SOURCES OF FUNDS	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommendec	Change FY 06 - 07	Percent Change
Operating Revenues	\$ 2,924,563	2,976,492	2,921,379	2,821,600	3,400,815	579,215	20.5%
Interest	\$ 34,015	40,000	60,154	16,094	47,900	31,806	197.6%
State Grants	\$ 273,877	273,877	273,877	273,877	273,877	0	0.0%
Surplus Funds	\$ 0	95,910	95,910	234,621		(234,621)	-100.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
TOTAL	\$ 3,232,454	3,386,279	3,351,320	3,346,192	3,722,592	376,400	11.2%

EXPENDITURES	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommendec	Change FY 06 - 07	Percent Change
Operating Budget	\$ 1,878,064	1,931,094	1,896,136	1,998,757	2,278,839	280,082	14.0%
General Fund Services	\$ 329,967	325,424	325,424	318,641	386,766	68,125	21.4%
Debt Service	\$ 513,423	502,761	502,760	498,794	592,987	94,193	18.9%
Capital Program	\$ 511,000	627,000	627,000	530,000	464,000	(66,000)	-12.5%
Interfund Transactions	\$ 0	0	0	0	0	0	0.0%
TOTAL	\$ 3,232,454	3,386,279	3,351,320	3,346,192	3,722,592	376,400	11.2%

This budget provides funds for the development, treatment, and distribution of the potable water supply for the Town. It is a completely self-supporting enterprise fund.

In July 2005, the Select Board voted to eliminate the top tier of the Town's 3-tier rate system. Coupled with conservation efforts, in particular by the Town's largest user of water (the University of Massachusetts), revenues are projected to decrease during FY 06. Water rates will increase by \$0.40 in FY 07 (Tier 1, from \$2.00 to \$2.40; Tier 2 higher consumption customers, from \$2.10 to \$2.50).

The increase in the operating budget results primarily from the following: A 10-hours-per-week (\$6,315) part-time Land Management Assistant to be shared with the General Fund (Conservation) is added on a trial basis, with responsibilities including equipment maintenance, invasive species control, and watershed management. Payment of \$5,500 is made to the General Fund for information technology services. The cost of chemicals increases by \$35,000 (41%). Mandatory new water testing increases the laboratory analysis budget by \$10,000 (40%). Other increases are for employee benefits, insurance, electricity, and fuel.

There are 14.50 FTE positions providing services in this Fund, unchanged from FY 06.

Debt Service covers principal and interest payments for the Atkins Treatment Facility (\$479,431), and the South East Street Water Main Project (\$113,558).

Capital Program expenditures are:

\$40,000	Pickup with plow
\$220,000	Finish repainting Village Park water tank
\$50,000	Repaint Atkins Treatment Plant units
\$100,000	Water system improvements
\$36,000	Replace water-filtering material at Baby Carriage Brook
\$13,000	Water system leak study
\$5,000	DPW facility improvements

The Finance Committee voted 6-0, one absent, to recommend approval of this budget.

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FINANCE COMMITTEE REPORT - FY 07

SEWER FUND

SOURCES OF FUNDS		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Operating Revenues	\$	2,606,900	2,919,447	2,612,346	2,991,376	2,982,200	(9,176)	-0.3%
Interest	\$	34,754	60,000	47,804	58,160	38,000	(20,160)	-34.7%
Surplus Funds	\$	0	0	0	36,171	211,835	175,664	485.6%
Other Available Funds	\$	0	0	0	0	0	0	0.0%
TOTAL	\$	2,641,654	2,979,447	2,660,150	3,085,707	3,232,035	146,328	4.7%

EXPENDITURES		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Operating Budget	\$	1,848,190	2,043,395	1,852,698	2,120,957	2,351,036	230,079	10.8%
General Fund Services	\$	247,991	235,384	235,384	234,141	296,789	62,648	26.8%
Transfers to Trust Funds	\$	0	0	0	0	0	0	0.0%
Debt Service	\$	265,473	371,668	371,668	365,609	359,210	(6,399)	-1.8%
Capital Program	\$	280,000	329,000	200,400	365,000	225,000	(140,000)	-38.4%
TOTAL	\$	2,641,654	2,979,447	2,660,150	3,085,707	3,232,035	146,328	4.7%

The budget for this enterprise fund pays for the collection, treatment and discharge of the Town's wastewater. It is a completely self-supporting enterprise fund. No rate increase is necessary for FY 07.

The increase in the operating budget results primarily from increases in employee benefits, insurance, electricity, fuel, and sludge disposal. The Sewer Fund will pay \$5,500 to the General Fund for information technology services.

There are 17.75 FTE positions providing services in this Fund, unchanged from FY 06.

Debt service is for the Middle Street sewer extension project, \$231,960, and for the Chapel Road/Mechanic Street sewer extension, \$127,250.

Capital expenditures are as follows:

\$ 200,000	Collection System Improvements
20,000	Sandblast and Paint Treatment Units
5,000	DPW Facility Improvements

The Finance Committee voted 6-0, one absent, to recommend approval of this budget.

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FINANCE COMMITTEE REPORT - FY 07

SOLID WASTE FUND

Finance Committee

SOURCES OF FUNDS	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommendec	Change FY 06 - 07	Percent Change
Operating Revenues	\$ 303,185	404,476	368,252	400,000	425,000	25,000	6.3%
Interest	\$ 20,401	0	19,916	10,000	15,000	5,000	50.0%
Borrowing Authorizations	\$ 0	0	0	0	0	0	0.0%
Taxation	120,735	0	0	0	0	0	0.0%
Other Available Funds	\$ 0	0	0	0	0	0	0.0%
Surplus Funds	\$ 0	0	0	37,021	33,497	(3,524)	-9.5%
TOTAL	\$ 444,321	404,476	388,168	447,021	473,497	26,476	5.9%

EXPENDITURES	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommendec	Change FY 06 - 07	Percent Change
Operating Expenditures	\$ 335,642	404,476	405,186	447,021	473,497	26,476	5.9%
General Fund Services	\$ 0	0	0	0	0	0	0.0%
Debt Service	\$ 120,735	0	0	0	0	0	0.0%
Capital Program	\$ 0	0	0	0	0	0	0.0%
Transfer to Trust Funds	\$ 0	0	0	0	0	0	0.0%
TOTAL	\$ 456,377	404,476	405,186	447,021	473,497	26,476	5.9%

This budget funds the costs of solid waste management facilities and activities of the Town. These include monitoring landfills, managing the recycling and transfer facility, monitoring of Town-wide solid waste and recycling collection and disposition, and special activities such as hazardous waste collection and disposal.

The landfill remains a significant capital asset, the Fund has a substantial fund balance, and the Town has long term obligations to cap and perform environmental monitoring of the landfill site. While the landfill has closed, a solid waste transfer and recycling operation continues to operate. In FY 05, Solid Waste appropriations were included in the General Fund budget. For purposes of comparison to FY 07 and prior years, FY 05 solid waste revenues and expenditures are summarized in the Solid Waste Fund section even though for accounting purposes they are treated as General Fund revenues.

Due to insufficient fund revenues, the remaining two years of debt service payments were funded in the General Fund. This debt was retired in FY 06.

All wages and benefits payable to the employees performing the services in this Fund continue to be paid from the Fund.

The increase in the operating budget results primarily from increases in employee benefits costs, including employee health insurance and retirement assessments.

There are 3.60 FTE positions providing services in this Fund, a decrease of 0.56.

The Finance Committee voted 6-0, one absent, to recommend approval of this budget.

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FINANCE COMMITTEE REPORT - FY 07

TRANSPORTATION FUND

SOURCES OF FUNDS		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Operating Revenues	\$	525,865	602,850	567,385	816,690	827,199	10,509	1.3%
Interest	\$	2,153	2,000	5,047	2,000	2,000	0	0.0%
Surplus Funds	\$	56,527	0	0	0	0	0	0.0%
TOTAL	\$	584,546	604,850	572,432	818,690	829,199	10,509	1.3%

EXPENDITURES		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Operating Budget	\$	295,548	368,799	336,381	584,720	595,494	10,774	1.8%
General Fund Services	\$	37,435	39,633	39,633	71,385	91,514	20,129	28.2%
General Fund Loan Repayment		102,000	70,045	70,045	0	0	0	0.0%
Debt Service	\$	129,562	126,373	126,372	120,585	132,191	11,606	9.6%
Capital Program	\$	20,000	0	0	42,000	10,000	(32,000)	-76.2%
TOTAL	\$	584,545	604,850	572,432	818,690	829,199	10,509	1.3%

This budget funds activities related to the parking and transportation system. Operating revenues include income from parking violations, parking fines, parking meter fees and parking permit fees. This fund is fully self-supporting.

In FY 06, the increase in overall revenue from increased parking fees and fines allowed the Transportation Fund to support for the first time \$100,000 of the Town's share of the estimated PVTa assessment, with the remainder (\$85,000) coming from taxation. Also for the first time in FY 06, \$91,000 from parking revenues was used to fund the so-called "pretzel run" outreach routes providing afternoon/evening bus service to the Orchard Valley/West Street, Echo Hill/Gatehouse Road and Cushman/Mill Hollow areas. These routes are not part of PVTa service and have been provided via a direct contract between the Town and UMass Transit.

The "pretzel run" routes have consistently had low ridership (on average in the low single digits) per run. Therefore, for FY 07 the Finance Committee recommends eliminating these routes and instead, using \$84,558 from parking revenues to pay the remainder of the Town's share of the PVTa assessment and charges for all other bus and van services, including a new charge of \$8,000 for the M40 express bus route between Amherst and Northampton. (UMass and Five Colleges, Inc. reimburse the Town for the remaining portion, \$621,713, of this assessment.) The Committee recommends against raising parking fees for the second year in a row to maintain underutilized routes.

Personnel services increases include the Transportation Fund's share of increases to employee health insurance costs (\$8,042) and retirement assessments (\$2,443). Extra Help decreases by \$15,000, used in FY 06 to complete a conversion to new MUNIS parking ticket billing software. Electricity increases by \$6,000 (37%).

There are 4.00 FTE positions providing services in this Fund, unchanged from FY 06.

Debt service is for the CVS parking lot (\$47,903) and the Parking Garage (\$84,288).

The capital budget includes replacement of the Town Hall lot meter machine for \$10,000.

The Finance Committee voted 6-0, one absent, to recommend approval of this budget.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 27. Reserve Fund
 (Finance Committee)**

To see if the Town will raise and appropriate \$100,000 for the Reserve Fund for FY 2007.

RECOMMENDED by a Finance Committee vote of 6-0, one member absent. The Reserve Fund is used by the Finance Committee to pay for extraordinary or unforeseen expenses that may occur during a fiscal year. Any unspent money in the fund after the fiscal year ends becomes Free Cash. The requested \$100,000 for FY 2007 is the same amount as for FY 2006.

**ARTICLE 28. Special Services – Amherst Community Television/Cable Advisory Committee
 (Select Board, Cable Advisory Committee)**

To see if the Town will raise and appropriate \$4,000 for the enforcement of the provisions of the 1996 License Agreement between the Town and Comcast and, under the terms of the 1996 contract between the Town and Amherst Community Television, for Amherst Community Television and related purposes if unused or uncommitted by the Cable Advisory Committee for enforcement purposes by March 1, 2008.

RECOMMENDED by a Finance Committee vote of 6-0, one member absent. The Town receives 50 cents per subscriber under the current contract with Comcast. This article states how the money, estimated to be \$4,000, is to be used.

**ARTICLE 29. Capital Program - Chapter 90
 (Joint Capital Planning Committee)**

To see if the Town will authorize the expenditure of \$600,000 of Chapter 90 funds for qualifying purposes and further authorize the Treasurer to borrow in anticipation of reimbursement of these funds from the Commonwealth of Massachusetts.

RECOMMENDED by a Finance Committee vote of 7-0. This is the first of four articles dealing with capital spending as recommended by the Joint Capital Planning Committee. Their report and the General Fund Capital Plan appears as Appendix A of this report.

Chapter 90 funds reimburse the Town for the cost of qualifying road projects and equipment. These funds contribute significantly to the Town's ability to pay for essential parts of the capital program. The Town undertakes Chapter 90 projects only when reimbursement funds are known to be available.

There are two expenditures proposed this year. One is \$100,000 for a replacement dump/sander truck. The full cost is \$115,000, with \$15,000 to be paid from taxation. The truck itself is eligible for Chapter 90 reimbursement, but not its sanding and plowing equipment. Funding for the related equipment appears in Article 30. The second expenditure is \$500,000 for road maintenance and repairs. Roadwork is done on a continuing basis. Identification of roads to be improved is assisted by the Public Works Department's pavement management system, a computerized road condition and maintenance tracking system.

**ARTICLE 30. Capital Program - Equipment
 (Joint Capital Planning Committee)**

To see if the Town will appropriate \$1,119,943 to purchase, repair, and/or install new or replacement equipment and determine whether such appropriation shall be met by taxation, by the transfer of available funds, or otherwise and further to authorize the application for and acceptance of any gifts, bequests, or grants.

An appropriation of \$1,031,943 is **RECOMMENDED** by a Finance Committee vote of 7-0. \$801,943 will be paid from taxation and \$230,000 from Ambulance Receipts. The total cost of the items in this list of equipment is \$1,294,643; the remaining \$262,700 comes from grants, which are not appropriated.

ANNUAL TOWN MEETING WARRANT ARTICLES

\$ 11,500	Photocopiers
129,000	Town information systems; replace/upgrade computers and network equipment
20,000	Laptop computers for Inspection Services, LSSE software
80,000	Electronic voting machines
30,000	Postage machine
90,000	Three police cruisers
200,000	Communications Center communications system
155,000	Ambulance
25,000	Assistant Fire Chief's vehicle (EMS)
203,000	Firefighters' breathing apparatus
20,000	Fire pumper rehabilitation
12,000	Public Works riding mower
15,000	Public Works sanding/plowing equipment
16,500	Conservation trail and field maintenance equipment
10,000	Insulating blanket for Middle School pool
25,000	Library delivery van
25,000	Library computers and copier/printer/scanner
60,000	Two School pickup trucks
15,000	School department phone upgrade
21,000	School copiers
<u>131,643</u>	Elementary Schools; replace/upgrade computers and related equipment
\$1,294,643	TOTAL

This list contains \$305,643 in computer and related equipment needed to replace, upgrade or add to existing equipment of the Town, Libraries and Elementary Schools. Included in the total are Inspection Services field laptops and LSSE program software to increase productivity in both departments. One electronic voting machine for each polling place, required by federal law, will be funded by a federal grant of \$80,000. A new Town Hall postage machine (\$30,000) is needed to meet postal service requirements. Three police cruisers are being replaced this year (\$90,000) instead of the usual four. The 20-year-old Communications Center system linking dispatchers with police and fire personnel and the public will be replaced for \$200,000, with \$50,000 coming from Ambulance Receipts. Also funded from Ambulance Receipts are a replacement ambulance (\$155,000) and an assistant fire chief's vehicle (\$25,000). Replacement breathing apparatus for firefighters (\$203,000) is funded 90 percent by a federal grant, with 10 percent (\$20,300) from taxation. The \$20,000 for pumper rehabilitation is the second stage of a two-year project. A heavily used Public Works mower will be replaced for \$12,000. The Public Works sanding/plowing equipment (\$15,000) is for the truck bought with Chapter 90 funds (see Article 29). Field and trail maintenance equipment (\$16,500) increases productivity of Conservation Department workers. The insulating blanket for the Middle School pool will result in significant energy cost savings. The Library delivery van (\$25,000) replaces one that can't be repaired. The two Schools pickup trucks (\$60,000) replace 1984 trucks used for snowplowing at all schools. The Schools phone system upgrade (\$15,000) will enable school officials to notify all parents at once of important events and/or emergencies.

ARTICLE 31. Capital Program - Buildings and Facilities (Joint Capital Planning Committee)

To see if the Town will appropriate \$501,000 to repair and/or improve buildings and facilities and determine whether such appropriation shall be met by taxation, by the transfer of available funds, or otherwise and further to authorize the application for and acceptance of any gifts, bequests, or grants.

An appropriation of \$485,000 is **RECOMMENDED** by a Finance Committee vote of 7-0. The Finance Committee supports the following list of JCPC approved building and facilities repair and improvement projects. The amount spent will not exceed the total appropriation, but there may be some minor shifting of funds among items. The cost is \$485,000, to be funded entirely from taxation.

ANNUAL TOWN MEETING WARRANT ARTICLES

\$ 5,000	Town Hall exterior maintenance
12,000	North Fire Station repairs
165,000	Police Station HVAC improvements
23,000	Jones Library roof repairs
30,000	Jones Library HVAC improvements
5,000	Elementary Schools asbestos removal
10,000	School district feasibility and demographic study
15,000	East Street School accessibility improvements
75,000	Preliminary study for Fort River School renovations
10,000	HVAC improvements at Marks Meadow School
<u>135,000</u>	Comprehensive Plan
\$ 485,000	TOTAL

Renovation of the Police Station HVAC system will solve air quality and other issues. The project is being done over two years, \$172,000 in FY 2006 and \$150,000 in FY 2007. It has an estimated payback period of five years because more energy-efficient equipment is to be installed. A bay door at North Fire Station will be expanded (\$12,000) to accommodate vehicles that must be parked inside. Money for the Jones Library will pay for repairs to the roof (\$23,000), and for improvements to the HVAC system (\$30,000) that began last year and have an estimated payback period of three years or less. A feasibility and demographic study of the schools (\$10,000) is necessary to plan adequately for future years. Accessibility improvements at the East Street School are being funded over two years, \$20,000 in FY 2006 and \$15,000 in FY 2007. The building is used by the Regional Schools, but the Town pays for improvements because it owns the building. \$75,000 will be added to the same amount appropriated in FY 05 for preliminary renovation plans for Fort River and Wildwood Elementary Schools. Plans should be ready to submit by July 1, 2007, when the state starts accepting applications for state funding. Air conditioning (\$10,000) is needed in the Marks Meadow School computer room. The Comprehensive Plan Commission will use \$135,000 to complete a comprehensive plan for the town, work that began with appropriations of \$20,000 for FY 2005 and \$65,000 for FY 2006. Facility projects concerned with historic preservation, open space and recreation that were proposed by the Community Preservation Act Committee appear in Articles 32 - 35 of this warrant.

ARTICLE 32. Community Preservation Act – Affordable Housing (Community Preservation Act Committee)

A. To see if the Town will appropriate to the Amherst Housing Authority \$6,500 from the Community Preservation Fund annual revenues or available funds for repairs to Keet House, being shown as Parcel 85 on Assessors Map 6A, and to authorize the acceptance of an affordable housing restriction in a form acceptable to the Select Board.

B. To see if the Town will appropriate to the Amherst Housing Authority \$45,000 from the Community Preservation Fund annual revenues or available funds for the Main Street Housing Project, being shown as Parcel 249 on Assessors Map 14A, which appropriation shall be in addition to the funds appropriated under Article 11 of the 2005 Annual Town Meeting.

C. To see if the Town will appropriate to Habitat for Humanity \$30,000 from the Community Preservation Fund annual revenues or available funds for the Habitat for the Humanity/Amherst College affordable housing construction project on land shown as Parcel 1 on Assessors Map 18A, and to authorize the acceptance of an affordable housing restriction in a form acceptable to the Select Board.

RECOMMENDED by Finance Committee vote of 6-0, one absent. Part A provides \$6,500 for minor repairs and improvements to the four units of affordable housing at the Keet House. Part B provides \$45,000 to keep the eleven-unit Main Street affordable housing project on schedule. The money is needed for anticipated increases in construction costs due to material price increases following hurricanes Katrina and Rita. Part C provides part of the money needed to cover the cost of materials and professional services necessary to install the water, sewer, and electrical utilities and to clear the site for construction of four homes to be built by the Pioneer Valley Habitat for Humanity, in partnership with Amherst College.

The projects are described in greater detail in Appendix B, Community Preservation Act Committee (CPAC) Report to Annual Town Meeting 2006.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 33. Community Preservation Act - Historic Preservation
 (Community Preservation Act Committee)**

To see if the Town will appropriate \$115,500 from the Community Preservation Fund annual revenues or available funds for historic preservation projects.

RECOMMENDED by Finance Committee vote of 6-0, one absent. The motion expected under this article requests appropriation of \$92,500 for eight projects intended to gather and disseminate information about various sites of historical interest in Amherst. They are described in detail in Appendix B.

\$10,000	Survey, inventory and documentation of condition at North/South Cemeteries
5,000	Survey and design of entrance (next to Carriage Shops) to historic West Cemetery
20,000	Historical research of East Village Common, the first settlement of Amherst
20,000	Collaborative project of Jones Library Special Collection and the Town Clerk's office to preserve/restore Town documents: the second year of a five-year project.
10,000	Interpretive signs: Dickinson House and West Cemetery
7,500	Interpretive publication: guidebook to the Central Business District National Historic Register District in downtown Amherst
10,000	Research and planning to expand the East Village National Historic Register District
10,000	Funds for appraisals and surveys for potential historic restrictions or easements

**ARTICLE 34. Community Preservation Act - Open Space
 (Community Preservation Act Committee)**

To see if the Town will appropriate \$125,000 from the Community Preservation Fund annual revenues or available funds for the acquisition from David N. and Phyllis H. Smith of a conservation restriction or the fee interest in a certain parcel of land containing 24 acres, more or less, or a portion thereof, shown as Parcel 8 on Assessors Map 30A, to be managed and controlled by the Amherst Conservation Commission in accordance with Chapter 40, Section 8C for open space, conservation and passive recreation purposes.

RECOMMENDED by Finance Committee vote of 6-0, one absent. \$125,000 is the estimated price for a parcel of land of the Holyoke Range that is available for purchase by the Town, as described in the CPAC report, Appendix B. That report also includes \$16,000 in funding for appraisals and surveys that was inadvertently omitted from this article. It can be considered at this fall's special town meeting or at a special town meeting this spring.

**ARTICLE 35. Community Preservation Act - Recreation
 (Community Preservation Act Committee)**

To see if the Town will appropriate \$20,000 from the Community Preservation Fund annual revenues or available funds for a sign program to provide a plan and some informational signs for joint use Town and School playing fields, parks and adjoining conservation areas.

RECOMMENDED by Finance Committee vote of 6-0, one absent. This article would fund a program of providing informative signs for parks and athletic fields in the Town. This is a long-recognized need.

ANNUAL TOWN MEETING WARRANT ARTICLES

**ARTICLE 36. Stabilization Fund
 (Finance Committee)**

To see if the Town will appropriate and transfer a sum of money from the Stabilization Fund to balance the 2007 Fiscal Year.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING. This article and Article 37 are used to complete the process of balancing Town expenditures against expected revenues after Town Meeting has completed action on all other financial articles. The Finance Committee expects that up to \$1 million will be needed to support spending in FY 07, with the money coming about half each from these two articles.

**ARTICLE 37. Free Cash
 (Finance Committee)**

To see if the Town will appropriate and transfer a sum of money from Free Cash in the Undesignated Fund Balance of the General Fund to balance the 2007 Fiscal Year.

RECOMMENDATION DEFERRED UNTIL TOWN MEETING.

**ARTICLE 38. Community Preservation Act Ballot Question for November Election
 (Select Board)**

To see if the town will amend the vote taken under Article 2 of the Special Town Meeting held on February 12, 2001, to increase by up to one percent the surcharge authorized thereunder, and to place on the ballot for the November 2006 State Election a question regarding acceptance of such amended surcharge, all as provided in M.G.L. c. 44B, §§ 3(b) and 16(a).

NOT RECOMMENDED by Finance Committee vote of 6-0, one absent. While Community Preservation Act funds allow the Town to pay for many highly desirable projects, the Finance Committee believes increasing the tax surcharge is not wise at this time. The Town is in the midst of a very difficult time financially. If additional taxes are to be raised, we think it should be done in connection with expenditures essential to the vital operations of the Town.

**ARTICLE 39. Petition – Cherry Hill
 (Rhodes)**

“To see if the Town will strongly urge the Select Board to cause to be issued a Request for Proposal (RFP) for the lease/and or management of Cherry Hill Golf Course by private entities. The RFP is to be issued no later than August 2006.”

NO RECOMMENDATION by Finance Committee vote of 4-2. Mr. Rhodes, the petitioner, abstained. There are several issues involved in this decision. A private management contract for the Golf Course could be useful for the Town in that it could be written so as to shift the financial risk of operating the course from the Town to the outside management. The terms of the RFP would presumably be less stringent than the two previous attempts, neither of which attracted any responses. The course is purposely run now to provide relatively low-cost recreation to the public. The timing of undertaking this project just as the new Town Manager begins his work here could be difficult; this might not be at the top of his to-do list. New marketing initiatives are underway, and it might be wise to see if they succeed in increasing course revenues. The minority agreed with the petitioner that the Committee ought to advise Town Meeting to proceed toward private management.

ANNUAL TOWN MEETING WARRANT ARTICLES

ARTICLE 40. Petition - Fact Book (Churchill)

"To see if the Town will ask the Select Board to direct the Town Manager to compile a concise, annual fact book on Amherst's current status and trends in spending, revenues, open space, development (housing and commercial), and population. The purpose of this fact book shall be (1) to provide a common foundation for decision-making by Town Meeting members and other town officials, staff, and citizen volunteers and (2) to provide a convenient digest of facts about our town for the general public.

The initial fact book, containing such information as can be reasonably assembled in the interim, should be presented to the Fall 2006 Town Meeting and posted for the public on the town's website. Updated edition should be prepared for each fall Town Meeting.

The fact book should include the following types of information:

- Spending – categories, amounts, percentages, and trends
- Revenues – categories, amounts, percentages, and trends
- Taxation – median property tax payment, ratio of property taxes paid by homeowners vs. businesses, comparison with neighboring towns
- Colleges' impact – costs and revenues generated by the university and colleges
- Population characteristics –summary of most recent census data
- Housing distribution – rental and owner-occupied available at various price points
- Planning maps –tax exempt lands, parcels preserved for open space, parcels available for housing development, and parcels available for business development
- A brief description of Proposition 2½ spending limits
- A brief description of how property taxes are calculated or homes and businesses

To maximize its understandability by the general public, this fact book should strive for brevity and minimal text, and use layperson's terms and user-friendly graphics (pie charts, bar graphs, etc.) throughout. As a guideline, the total fact book should be approximately 30 pages or less in length."

RECOMMENDED by Finance Committee vote of 6-1. The motion the petitioner plans to make will be less detailed in what information is to be provided. Compiling the information could be burdensome on Town staff at a time when they are stressed to accomplish the tasks they already have. The Committee believes that the less demanding wording of the motion should allow the information to be gathered as possible, and that a convenient compilation of information about the Town would be useful in many contexts, not least for use by Town Meeting members. The dissenting vote represented concern for additional use of staff time.

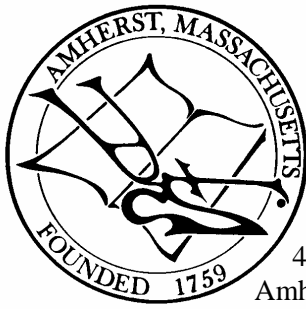
ARTICLE 41. Petition - 5 Year Financial Projection (Tierkel)

"To see if the Town will request the Select Board to (1) prepare a projection of revenue and expenditure trends for the next five years, assuming constant service levels, with the rationale for each; and (2) propose for Town Meeting consideration one or more sustainable strategies for the generation of revenues to the town to support the necessary municipal, school and library services consistent with those projections. In carrying out this charge the Select Board shall consult closely with the Finance Committee, the Library Trustees, the School Committee, and any other such boards and committees as may be appropriate. The Select Board shall issue its initial report in time for consideration at a Town Meeting to be held no later than November 30, 2006. If a Town Meeting has not been scheduled to occur for some other purpose by that date, the Select Board shall call a special Town Meeting. Thereafter, the Select Board shall issue this report annually, delivered 20 days prior to Annual Town Meeting."

RECOMMENDED by Finance Committee vote of 6-0, one absent. The Committee agrees with the goal of encouraging long-range financial planning. We note that the farther out in years that projections extend, the greater the uncertainty of the projections. Still, the effort can be useful. The 5-year projections called for in the article would extend by two years the 3-year projections the Town has used for many years.

APPENDICES

Town of



AMHERST *Massachusetts*

TOWN HALL
4 Boltwood Avenue
Amherst, MA 01002-2351

REPORT OF THE JOINT CAPITAL PLANNING COMMITTEE APRIL 20, 2006

Why Capital Planning?

The Joint Capital Planning Committee (JCPC), comprised of two representatives each from the Select Board, School Committee, Jones Library Board of Trustees, and Finance Committee, advises the Town Manager, Finance Committee, and Town Meeting on the capital needs of the Town. It was organized in 1992 as the Town began to recover from the fiscal crisis of the early 1990s. At the same time that the state was experiencing that recession and cutting aid to cities and towns, the Town of Amherst reached its levy limit under Proposition 2 1/2. That milestone meant that the Town no longer had the option of raising whatever taxes were necessary to meet expenditure demands. With state aid reduced and growth of property taxes limited, the Town used reserves and unexpended capital appropriations totaling nearly \$15 million to balance three years of operating budgets. Capital needs were so neglected that departments had equipment that did not work; building maintenance and repairs fell far behind. It has taken over ten years of careful planning and management to get equipment on regular replacement schedules and buildings free of some of the health and safety problems that arose from failure to keep up those facilities during that period.

The last several years have been a reminder that there are economic ups and downs. Many cities and towns, including Amherst, are now faced with the need to meet increasing operating expenses, satisfy capital needs, and rebuild reserves. These three objectives can conflict.

Sources of Funds

The town organizes its capital spending under a Five-Year Capital Plan that is refreshed every year to reflect changes in capital needs and changes in available revenues. Funds for the recommended Five Year Capital Plan come from property taxes, enterprise and other special purpose funds of the Town, and grant or aid funds from the federal and state governments. As originally conceived, 10% of the property tax levy was to be committed to the Capital Plan. Use of this portion of the levy along with the other resources proved to be enough, or almost enough, to keep up with renovation and maintenance of existing buildings, and also equipment replacement, but probably not enough to cover all significant new projects. For the past three years, between 8% and 9% of the levy have been allocated. The current plan assumes commitment of 8.2% of the local property tax levy for FY 07. JCPC recommends that tax funding for capital in future years should not fall below 8.5%.

REPORT OF THE JOINT CAPITAL PLANNING COMMITTEE

Prioritization of Capital Needs

JCPC reviews requests for capital plan funding that meet the following criteria:

A capital improvement is a tangible asset or project with an estimated useful life of five (5) years or more, and a cost of \$5,000 or more. Examples are given in parentheses below. Successful capital planning facilitates postponing some capital expenditures in favor of others as part of the planning process. In December 2005, JCPC voted unanimously to update its guidelines for prioritizing capital projects. The guidelines themselves are not necessarily listed in priority order:

- Imminent threat to health and safety of citizens, employees or property (e.g. police cruisers and radios, SCBA self contained breathing apparatus, etc.);
- Maintenance and improvement of capital assets (e.g. major repairs of buildings, replacement of vehicles and equipment, park and play area renovations, etc.);
- Requirement of state or federal law (e.g. asbestos cleanup program mandated by federal law in 1986, removal of gas tanks, etc);
- Improvement of the infrastructure (e.g. streets and sidewalks, water and sewer programs, etc.);
- Improvement/maintenance of productivity (e.g. equipment replacement, computer hardware / software, etc.);
- Improvement of an overburdened situation (e.g. Town Hall renovations, cemetery expansion program, etc.);
- Newly identified need (e.g. recreation fields);
- Priority assigned by Department (Very High, High, Medium, Low).
- Consistency with and in furtherance of long-term planning objectives of the Town (e.g. Climate Action Plan, Historic Preservation Plan, etc.).

The Recommended Capital Plan – A One Year Budget, A Five Year Plan

The General Fund Five Year Capital Plan for FY 07–FY 11 includes voted appropriations from FY 06, a proposed budget for FY 07, and a prioritized plan of capital investment possible with projected available revenues for the period FY 08–FY 11. The total capital budget in any fiscal year is comprised of direct cash expenditures for capital items, debt service (interest and principal) on all prior bonded expenditures, and debt service on any new authorized and issued bonds. The plan is organized into three categories of projects: major equipment (vehicles, technology, etc.), building needs, and facilities needs (road maintenance, parks, open space, etc.). It incorporates recommendations developed by the Community Preservation Act (CPA) Committee for eligible community housing, open space, historic preservation, and recreation projects funded from the local voter-approved 1% property tax CPA surcharge and matching state funds. JCPC appreciates the CPA Committee's cooperation and coordination of their recommendations to allow presentation of the entire Capital Plan at the Annual Town Meeting.

REPORT OF THE JOINT CAPITAL PLANNING COMMITTEE

Initial proposals for capital plan funding for FY 07 exceeded available revenues by over \$1 million. In order to construct a capital plan balanced with projected revenues, some capital recommendations were reduced in amount, many were deferred to later years, and many were eliminated altogether and placed onto an “unfunded” list for reconsideration in future years. In a last-minute compromise, JCPC agreed to defer \$100,000 in capital expenditures for the elementary schools (a school bus and computer equipment) to FY 08, and to recommend using that \$100,000 to increase Amherst’s assessment for the Regional School operating budget. Recommendations for FY 07 capital funding total \$2,714,643 from all funding sources and include the following:

Equipment

JCPC recommends a total of \$1,394,643 for equipment items. Of this total, Chapter 90 state grants will fund \$100,000, other grants fund \$262,700, ambulance receipts fund \$230,000 and taxation funds the remaining \$901,943.

Town and library computer equipment replacement is recommended for \$149,000. Other technology-related items recommended include \$10,000 for LSSE program software and \$20,000 for field laptops for the Inspections Department, both designed to increase productivity. Other town equipment recommended includes \$11,500 to fund the scheduled replacement of a Town Hall photocopier, \$80,000 from a federal grant for touch screen electronic voting machine equipment (one for each precinct) mandated by the federal Help America Vote Act (HAVA) to assist voters with disabilities, and \$30,000 for a new postage machine to meet mandated USPS requirements later this year.

JCPC recommends \$90,000 for the replacement of three police cruisers. The fleet totals 18 vehicles, including 12 marked units. Replacement of 4 vehicles per year has been the practice for approximately the past 15 years, but the Chief believes that reducing to three for one year (FY 07) will meet the needs of the department. \$200,000 is recommended (\$50,000 funded from Ambulance receipts) to upgrade/replace the Public Safety Communications Center’s radio console equipment. This would replace 20-year old equipment at the end of its useful life. This is a critical expenditure to support dispatch needs for police, fire, and EMS services. Fire equipment includes \$155,000 for a replacement ambulance on a planned replacement schedule, and \$25,000 for a chief’s vehicle, with recommended funding to come from ambulance receipts; \$203,000 (90% or \$182,700 funded from a federal grant) for self-contained breathing apparatus for firefighters; and \$20,000 for the second of two stages of rehab/repair of a 1995 pumper used by the volunteer force.

A replacement 5-7 yard dump/sander truck is recommended for Public Works for \$115,000, funded with a combination of \$100,000 from Chapter 90 and \$15,000 from taxation. Also recommended is \$12,000 to replace a heavily used 5-foot mower

A total of \$16,500 is recommended to purchase trail maintenance equipment for Conservation staff to increase substantially their ability to maintain property under their jurisdiction more efficiently. Equipment includes a boom brush cutter, a trailer to transport their tractor, and an electric rechargeable ATV.

\$10,000 is recommended for an energy efficient pool insulation cover for the Middle School pool, with an estimated payback of only two years.

A replacement Library delivery van is recommended for \$25,000. The existing van cannot pass inspection and has been taken off the road.

REPORT OF THE JOINT CAPITAL PLANNING COMMITTEE

Recommended equipment items for the elementary schools total \$227,643, including \$131,643 for computer equipment, \$21,000 for photocopiers, \$60,000 for a maintenance pickup truck, and \$15,000 for a phone system upgrade. (Capital equipment for the regional schools is included in the regional school budget.)

Buildings

JCPC recommends a total of \$431,500 for building repairs and renovations. Community Preservation Act (CPA) receipts support \$81,500 for three affordable housing projects. See the CPA Committee's report for a full description of their recommendations.

\$5,000 is recommended for miscellaneous repair and replacement of slate on the Town Hall roof. \$12,000 is recommended to widen bay doors at the North Fire Station to accommodate a 2001 ambulance being relocated.

JCPC recommends \$165,000 to repair/upgrade the HVAC system at the Police Station. This project is critical for air quality and other reasons and has an estimated payback of less than five years due to installation of more energy-efficient equipment. This is the second planned allocation of funding over two years (\$172,000 was authorized in FY 06). Work will be completed before the next heating season. \$30,000 is recommended for HVAC improvements for Jones Library, with an estimated payback of three years. \$23,000 is recommended for repairs to the slate and membrane roof, gutters, and eaves at Jones. School building projects recommended include \$5,000 for ongoing asbestos removal at all schools, an additional \$15,000 to complete handicapped access improvements at the East Street School (\$20,000 authorized in FY 06), \$10,000 for HVAC to cool a Marks Meadow computer lab, \$10,000 for a district feasibility study, and \$75,000 to supplement prior year funding for preliminary architectural services for future renovations for Fort River and Wildwood Schools. Applications for state funding may be submitted as early as July 2007.

Facilities

A total of \$888,500 is recommended for facilities needs, but only \$135,000 is funded via taxation. \$500,000 for road maintenance and repairs is funded by state Chapter 90 funds.

CPA funds are recommended as follows: \$92,500 for historic preservation projects, \$141,000 for open space acquisition and appraisals/surveys, \$20,000 to begin to upgrade signage at conservation/recreation areas, and \$45,000 for the second of 10 years of debt service on a \$500,000 bond issue previously authorized by Town Meeting for the Plum Brook Recreation Fields project.

The taxation-funded recommendation is \$135,000 to supplement \$65,000 authorized in FY 06 for costs for preparing a Master Plan.

Key Capital Planning Issues Going Forward

The Town faces a number of fiscal challenges in the years ahead. Double-digit annual growth in employee health insurance costs, state aid increases likely to be much more modest than those received by the Town in the 1990's, and caps on local revenue threaten the ability of the Town to sustain both the operating and capital budgets. While striving to adequately fund Municipal, School, and Library services, the Town must eliminate its reliance on dwindling reserves to balance the budget. The proposed FY 07 operating budget relies on a \$1 million drawdown of reserves, with \$0 recommended by the Finance Committee in FY 08. The Five Year Capital Plan identifies several major projects on the horizon, including the potential for a new Fire Station, building repairs at the Bangs Center and exterior work at Town Hall, and major renovations at both Wildwood and Fort River Schools as both buildings approach their 40th year of use. A new Massachusetts School Building

REPORT OF THE JOINT CAPITAL PLANNING COMMITTEE

Authority (MSBA) has been created and will be providing financing for new projects as early as FY 08, albeit at reduced levels from the old school construction program. Many other projects large and small will compete for scarce resources.

JOINT CAPITAL PLANNING COMMITTEE

Robie Hubley, Select Board

Gerald Weiss, Select Board

Elaine Brighty, School Committee

Alisa Brewer, School Committee

Alice Carlozzi, Finance Committee

Kay Moran, Finance Committee

Patricia Holland, Jones Library Trustees

Molly Turner, Jones Library Trustees

Staff Liaison: John Musante, Finance Director/Treasurer

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FINANCE COMMITTEE REPORT - FY 05

General Fund Five Year Capital Plan Fiscal Years 2007 – 2011

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	Total		Unfunded List
8.5% of Levy	2,577,048	2,700,974	2,768,499	2,837,711	2,908,654	2,981,370	14,197,209		
Less Current Debt	(1,376,937)	(1,173,636)	(889,326)	(701,601)	(678,522)	(648,594)	(4,091,679)		
Less Proposed Debt	(229,266)	(185,206)	(182,870)	(319,187)	(646,443)	(629,863)	(1,963,569)		
Total Taxes Available	970,845	1,342,132	1,696,303	1,816,923	1,583,689	1,702,913	8,141,961		
CPAC Funds	664,632	379,999	43,666	42,332	40,999	39,666	546,662		
Other Available Funds	220,757	-	-	150,000	-	-	150,000		
Grants	57,500	262,700	174,600	-	-	-	437,300		
Borrowing	-	-	-	9,200,000	2,525,000	6,000,000	17,725,000		
Chapter 90	575,000	600,000	600,000	595,000	500,000	500,000	2,795,000		
Ambulance	111,000	230,000	250,500	396,469	230,521	459,572	1,567,062		
Total Available For Capital	2,599,734	2,814,831	2,765,069	12,200,725	4,880,209	8,702,151	31,362,985		
Total Equipment	831,400	1,394,643	1,406,483	1,766,100	1,047,100	1,098,104	6,712,430		443,000
Total Buildings	606,600	431,500	795,000	9,616,000	2,964,500	5,457,500	19,264,500		595,000
Total Facilities	1,126,800	888,500	667,000	813,500	836,600	1,973,500	5,179,100		900,400
Total Grant Funded Projects	-	-	-	-	40,000	-	40,000		
Total Before Reimbursements	2,564,800	2,714,643	2,868,483	12,195,600	4,888,200	8,529,104	31,196,030		
Less Grant Funded Projects	-	-	-	-	(40,000)	-	(40,000)		
Total Requests	2,564,800	2,714,643	2,868,483	12,195,600	4,848,200	8,529,104	31,156,030		-
							0		
Recommendations	34,934	100,188	(103,414)	5,125	32,009	173,047	206,955		1,954,400
(over) / under									
available capital funds									

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FINANCE COMMITTEE REPORT - FY 05

GENERAL FUND CAPITAL PROGRAM - EQUIPMENT

Fiscal Years 2006 – 2011

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	TOTAL	Unfunded List
EQUIPMENT:								
General Government								
Photocopiers		11,500	12,700	13,000		13,000	50,200	
Information Systems	220,000	129,000	107,000	123,000	123,000	153,000	635,000	
Information Systems			103,000	75,000			178,000	
Information Systems - Other Depts		20,000	53,500	60,000	160,000	25,000	318,500	53,000
Internal Vault Reconstruction							-	300,000
Electronic Voting Machines		80,000					80,000	
Postage Machine		30,000					30,000	
Total	220,000	270,500	276,200	271,000	283,000	191,000	1,291,700	
Police								
Cruisers	120,000	90,000	120,000	130,000	140,000	140,000	620,000	
Transport Vehicle						50,000	50,000	
Total	120,000	90,000	120,000	130,000	140,000	190,000	670,000	
Communications Center								
Communications System		150,000					150,000	
Communications System		50,000					50,000	
Microwave System Upgrade/Replace	50,757							
Total	50,757	200,000	-	-	-	-	200,000	
Fire								
Ambulance		155,000		160,000		165,000	480,000	
Chiefs' Vehicles(4WD)	25,000	25,000			25,000		50,000	25,000
Shift Supervisor Vehicle (new)				35,000			35,000	
Breathing Apparatus		182,700					182,700	
Breathing Apparatus		20,300					20,300	
Pumper				320,000			320,000	
Pumper Rehab	20,000	20,000			20,000		40,000	
Aerial Ladder Refurbish			50,000				50,000	
EMS Defibrillators						50,000	50,000	
EMS Stretchers						20,000	20,000	
Portable Radios					12,000		12,000	
Pickup Truck					35,000		35,000	
Van (Used)					18,000		18,000	
Building Furnishings					15,000	15,000	30,000	
Halmatro Rescue Tool								
Protective Gear			194,000	15,000			209,000	
Total	45,000	403,000	244,000	530,000	125,000	250,000	1,552,000	
Public Works								
Dump Truck								
Backhoe/Front End Loader				95,000			95,000	
Pickup Trucks				45,000	45,000		90,000	
Riding Mowers		12,000					12,000	
Ground Groomer			11,703				11,703	
One Ton Dump 4x4 Plow				55,000		55,000	110,000	
One Ton Dump 4x4 Plow w/ Garbage Body					78,000		78,000	
Small Bucket Truck							-	65,000
3/4 Ton Pickup with Plow			45,000		45,000	45,000	135,000	
2 Ton Roller			20,000				20,000	
Dump/Sander Truck	180,000	100,000	100,000				200,000	
Dump/Sander Truck		15,000	15,000				30,000	
Trash Truck				150,000			150,000	
Total	180,000	127,000	191,703	345,000	168,000	100,000	931,703	
Conservation								
Tractor						29,000	29,000	
Pickup Truck			25,000				25,000	
Rotary Brush Cutter and Tractor Harrow						10,000	10,000	
Boom Brush Cutter		5,500					5,500	
Trailer for tractor		5,000					5,000	
ATV (electric rechargeable)		6,000					6,000	
Total	-	16,500	25,000	-	-	39,000	80,500	

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FINANCE COMMITTEE REPORT - FY 05

GENERAL FUND CAPITAL PROGRAM - EQUIPMENT
Fiscal Years 2006 – 2011

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	TOTAL	Unfunded List
EQUIPMENT:								
LSSE								
Pickup Truck			25,000				25,000	
Defibrillator Units (2)			7,000				7,000	
Pool Insulation blanket (indoor pool)		10,000					10,000	
Donor Management Software			6,000				6,000	
Van				25,000			25,000	
Total		10,000	38,000	25,000	-	-	73,000	
Building Maintenance								
Maintenance used pickup			10,000				10,000	
Total	-	-	10,000	-	-	-	10,000	
Library								
Delivery Van		25,000					25,000	
Replacement chairs/study tables			15,000				15,000	
Computers	20,000	20,000	20,000	20,000	20,000	20,000	100,000	
Copier/printer/scanner	5,000	5,000	5,000	5,000		5,000	20,000	
Total	25,000	50,000	40,000	25,000	20,000	25,000	160,000	
Schools	10,000						-	
Buses	60,000	-	70,000	75,000	75,000	75,000	295,000	
SPED Vans			60,000	30,000			90,000	
Pickup Truck		60,000		40,000			100,000	
Furniture			20,000				20,000	
Backup Generators (FR & WW)			40,000				40,000	
Phone Upgrade		15,000	15,000	15,000	26,000	15,000	86,000	
Copiers		21,000	21,000	21,000	21,000	21,000	105,000	
Lawn Mowers			10,000				10,000	
Computers	171,400	131,643	225,580	259,100	189,100	192,104	997,527	
Total	241,400	227,643	461,580	440,100	311,100	303,104	1,743,527	
TOTAL EQUIPMENT	831,400	1,394,643	1,406,483	1,766,100	1,047,100	1,098,104	6,712,430	443,000
Less Chapter 90	125,000	100,000	100,000	95,000	-	-	295,000	
Less Grants		262,700	174,600				437,300	
Less Ambulance	91,000	230,000		160,000	-	235,000	625,000	
Less Other Available Funds	120,757			150,000			150,000	
TOTAL TAX SUPPORTED EQUIPMENT	494,643	801,943	1,131,883	1,361,100	1,047,100	863,104	5,205,130	

GENERAL FUND CAPITAL PROGRAM - BUILDINGS

Fiscal Years 2006 – 2011

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	TOTAL	Unfunded
MUNICIPAL BUILDINGS:								List
Energy Efficiency - Town Buildings		-						
Town Hall								
Resurface Parking Lot						35,000	35,000	
Exterior Maintenance	50,000	5,000	310,000		10,000		325,000	
Interior Maintenance					25,000	20,000	45,000	
							-	
Bangs Community Center							-	
HVAC (computerized)				200,000			200,000	
Roof Replacement	25,000		200,000				200,000	
Interior Maintenance					35,000	55,000	90,000	
							-	
North Amherst School							-	
Interior Maintenance					19,000		19,000	
Paving					8,500		8,500	
							-	
Child Care Facility							-	
Interior Maintenance						14,500	14,500	
Exterior Maintenance				7,500			7,500	
Paving					9,500		9,500	
							-	
Munson Library							-	
Windows					40,000		40,000	
Exterior Maintenance				5,000			5,000	
							-	
North Amherst Library/Village Center						30,000	30,000	350,000
							-	
Fire Stations							-	
Central Station Repairs					2,525,000		2,525,000	
Design/Construction-South	20,000		180,000	4,700,000			4,880,000	
North Station Repairs		12,000	18,000	40,000			70,000	120,000
Generators & Station Upgrades	14,600						-	
							-	
Police Station							-	
Interior Maintenance				35,000			35,000	
HVAC	172,000	165,000					165,000	
Exterior Maintenance						35,000	35,000	
							-	
Public Works Facility							-	
Salt Shed						200,000	200,000	
Renovations	5,000	-	10,000	5,000	5,000	5,000	25,000	
Security System	25,000						-	
DPW Facility Study			25,000	50,000			75,000	
							-	
Conservation Building							-	
Hitchcock Center			15,000				15,000	
Sewer Connection						15,000	15,000	
Site Design					10,000		10,000	
							-	
Recreation Center					250,000	5,000,000	5,250,000	
							-	
Affordable Housing	155,000	81,500					81,500	
							-	
Jones Library							-	
Roof Repairs		23,000	7,000	13,500	7,500	5,000	56,000	
Exterior Painting							-	40,000
Window Replacement			20,000				20,000	
Repainting stonework and chimneys				50,000			50,000	
HVAC improvements	10,000	30,000					30,000	
Carpet						15,000	15,000	
Audiovisual Shelving						8,000	8,000	
Interior plaster and painting					10,000	10,000	20,000	10,000

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FINANCE COMMITTEE REPORT - FY 05

GENERAL FUND CAPITAL PROGRAM - BUILDINGS

Fiscal Years 2006 – 2011

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	TOTAL	Unfunded List
MUNICIPAL BUILDINGS:								
SCHOOL BUILDINGS:							-	
Asbestos Removal all Schools	10,000	5,000	10,000	10,000	10,000	10,000	45,000	
Feasibility study - district		10,000					10,000	
East Street School	20,000	15,000					15,000	
Crocker Farm							-	
Energy Management System	10,000						-	
							-	
Fort River							-	
Remove Underground Fuel Tank							-	
HVAC Exhausts							-	
Remove Asbestos							-	
Repave lot							-	
Renovations	10,000	75,000		2,250,000			2,325,000	
Mark's Meadow							-	
Portable Classrooms	80,000						-	
HVAC Modifications		10,000					10,000	
Wildwood							-	
Renovations				2,250,000			2,250,000	75,000
TOTAL BUILDINGS	606,600	431,500	795,000	9,616,000	2,964,500	5,457,500	19,264,500	595,000
Less CPAC	205,000	81,500					81,500	
Less Grants							-	
Less Ambulance	20,000		180,000				180,000	
Less Borrowing				9,200,000	2,525,000	5,000,000	16,725,000	
Less Other Available Funds	100,000						-	
Total Tax Supported Buildings	281,600	350,000	615,000	416,000	439,500	457,500	2,278,000	

GENERAL FUND CAPITAL PROGRAM - FACILITIES

Fiscal Years 2006 – 2011

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	TOTAL	Unfunded List
MUNICIPAL FACILITIES:								
Downtown Improvements								
Downtown Improvements(unspecified)							-	50,000
Shade Trees			30,000	12,500	12,500	12,500	67,500	
Downtown Wayfinding Sign System					25,000	15,000	40,000	30,000
Village Commons	5,000	20,000					20,000	
Street Furniture					15,000	15,000	30,000	22,500
Gates Lot/Veteran's Memorial Park			5,000				5,000	
Town-Wide GIS Mapping/Flood Area Analysis								300,000
Public Arts Maintenance								2,500
National Register Districts		10,000					10,000	
Historic Landscape Survey	15,000							
Other Historic Preservation Projects	77,500	17,500					17,500	
Sidewalks/ADA Improvements						1,000,000	1,000,000	
Sidewalks								150,000
Purchase Streetlights		-	12,000	6,000	6,000	6,000	30,000	
Road Maintenance/Improvements	450,000	500,000	500,000	500,000	500,000	500,000	2,500,000	
NPDES Program Implementation			20,000	20,000	20,000	20,000	80,000	
Transfer Station								
Engineering			50,000				50,000	
Construction				250,000	250,000		500,000	
Land Acquisition								
APR	120,800							
Open Space		141,000					141,000	
Cemetery Improvements								
West Cemetery	150,000							
N Pleasant Cemetery Entrance		5,000					5,000	
North and South Cemeteries		10,000					10,000	
Interpretive Signs		10,000					10,000	

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FINANCE COMMITTEE REPORT - FY 06

GENERAL FUND CAPITAL PROGRAM - FACILITIES

Fiscal Years 2006 – 2011

	FY 06	FY 07	FY 08	FY 09	FY 10	FY 11	TOTAL	Unfunded List
MUNICIPAL FACILITIES:								
Parks & Commons								
Groff Park								
Improvements						225,000	225,000	
Playground Equipment	2,000							
Set Shop/Pavilion								170,000
War Memorial								
Lifeguard Chairs								5,000
Filtration								95,000
Playground Equipment/Pathways	2,000							
Pool Surface Improvements								50,000
Shade units								5,400
Mill River								
Bath House Roofs & Park Areas				25,000			25,000	
Chain Link Fencing Replacement		-	5,000				5,000	
Lifeguard Chairs			5,000				5,000	
Resurfacing						50,000	50,000	
Install Lighting at Basketball Court								20,000
Shade units					8,100		8,100	
Kiwanis Park								
Comfort Station (ADA)						130,000	130,000	
Plum Brook Recreation Area	57,500							
Field Development	50,000							
RE: Coordinated Sign Project		20,000					20,000	
Miscellaneous								
Master Plan	65,000	135,000					135,000	
Commercial appraisals	82,000							
Personal Property appraisals	50,000							
Archive Permanent Records (Police)			25,000				25,000	
Archives Restoration		20,000					20,000	
Conservation								
Puffer's Pond Dredging			15,000				15,000	
TOTAL FACILITIES	1,126,800	888,500	667,000	813,500	836,600	1,973,500	5,179,100	900,400
Less Chapter 90	450,000	500,000	500,000	500,000	500,000	500,000	2,500,000	
Less CPAC	413,300	253,500	-	-	-	-	253,500	
Less Grants	57,500							
Less Borrowing	-					1,000,000	1,000,000	1,000,000
Less Other Available Funds								
Total Tax Supported Facilities	206,000	135,000	167,000	313,500	336,600	473,500	1,425,600	

APPENDIX B

**Community Preservation Act Committee (CPAC)
REPORT TO ANNUAL TOWN MEETING 2006**

Rationale

In allocating the Community Preservation Act 1% surcharge and matching state funds the Community Preservation Act Committee (CPAC) committed to:

- a) Advancing projects currently underway
- b) Projects broadly supported across committees and Town departments, or
- c) Meeting ongoing legal obligations

Under the Community Preservation Act cities and towns are required to spend 10% of collected funds on each of the three following categories:

- Affordable Housing creation and support
- Historic Building and Landscape acquisition and preservation
- Open Space acquisition and preservation

The remaining 70% may be directed toward any of the above three categories or for land used as Recreation Space.

For FY 2007 CPAC recommends an appropriation of \$380,000.

The breakdown across categories in percentage terms is as follows:

Category	Article #	\$ request	% total appropriation ¹
Affordable Housing	32	81,500	21.4
Historical Preservation	33	92,500	24.3
Open Space	34	141,000	37.1
Recreation	35, 26 ²	65,000	17.1
Total		380,000	99.9

Table 1

¹ components are rounded

² Article 26 refers to debt service as part of FY07 operating budget

This allocation of funds would preserve \$50,000 in reserves against such contingencies as unexpected project cost overruns, emergencies (such as properties coming on market at short notice etc.) or other unforeseen events.

Project Details

Article 32: Affordable Housing

Pioneer Valley Habitat For Humanity

Pioneer Valley Habitat for Humanity (PVH) has entered into a partnership with Amherst College to build four homes on-site at the corner of South East Street and Stanley Street. The site has water and sewer at the street. PVH requested \$60,000 in CPA funding to cover the cost of materials and professional services necessary to install the water, sewer, and electrical utilities and to clear the site for construction. PVH would place an Affordable Housing Restriction (acceptable to Town Counsel) on the deed for each house, consistent with their policy for other Habitat homeowners. These units would be owner-occupied, and sold typically to families making 30-50% of HUD median income. Habitat for Humanity has a distinguished record across the country for providing simple, decent and affordable homes to families in need, and here in the PVH has provided housing for 17 families.

\$30,000

Main Street Affordable Housing Project

This eleven-unit project has received a Special Permit from the ZBA, and the Amherst Housing Authority has purchased the land. The AHA is currently negotiating with Valley Community Development Corporation to develop and construct the eleven units under a long-term land lease in which the Housing Authority would maintain ownership of the land. This project has previously received CPA funds, but the current pro-forma requires an additional \$45,000 to offset anticipated increases in construction costs due to material price increases post Katrina and Rita. The project has also solicited CDBG monies, as well as funding from Massachusetts Housing partnership, HOME funds, and from the Affordable Housing Trust Fund. This additional money will allow the project to stay on schedule with an anticipated construction start of late 2006.

\$45,000

APPENDIX B

Community Preservation Act Committee (CPAC)
REPORT TO ANNUAL TOWN MEETING 2006

Keet House

This project is part of the eight-unit affordable housing project which includes 4 units at Tamarack Drive and four units in the Keet House on Bridge Street in North Amherst. Construction of the two duplexes on Tamarack Drive is anticipated to start this summer, pending final negotiations with the successful low bidder. The Keet House was, until three years ago, part of a low-income housing tax-credit project, and when the tax-credits expired, the owner elected to sell the 4 units. In order to prevent the units from becoming market-rate rentals, the Amherst Housing Authority (AHA) managed to purchase the properties, with a combination of funds including a CPA allocation two years ago. This additional allocation would be used for further improvements to the property outside of the scope of the development pro-forma for the Tamarack-Keets project. Specifically, these funds are for; (i) the correction of design flaws in the original construction, (ii) installation of chimney caps and (iii) miscellaneous upgrades to the individual unit (some required due to damage sustained in last October's heavy rains).

\$6,500

\$81,500

Article 33: Historical Preservation

Capital Projects

North/South Cemetery Survey

North and South Amherst Cemeteries established in 1818 are as deserving of community preservation resources as the West Cemetery. This request would lay the groundwork through:

- Physical boundary survey using both traditional and GIS methods
- Inventory of existing burial info
- Documentation of site conditions through photography and other means

\$10,000

North Pleasant Cemetery Entrance Survey and Design

Planning will soon begin for capital streetscape improvements along the east of N Pleasant St. between Kellog St. and the Southern driveway of the Carriage Shops. The original entrance to the cemetery is located here. Funding is needed for survey and design work on the entrance that provides pedestrian access to a historic Amherst cemetery.

\$5,000

East Village Common historical research

East Village was the first settlement of Amherst and its political and economic center until the mid-nineteenth century. Like the South Amherst common the East Village common is the centerpiece of a National Historic Register district and currently is the focus of other improvement efforts—it has been proposed as the principal target area for Amherst's mini-Entitlement CDBG (block grant) projects. These efforts should be informed by appropriate historical information: funding would begin the process of assessing, protecting and restoring the core of this historic village center.

\$20,000

Archives Restoration

Special Collections of Jones Library & Town Clerk

This is the second installment of a 5 year collaborative project between the Special Collections of Jones Library and the Town Clerk's Office in order to protect the unique records and documents of Amherst history.

\$20,000

Interpretation and Outreach

Interpretive Signs - Dickinson House & West Cemetery

Historical interpretative signs are a critically important way to provide directions to and information about Amherst's historical people, places, and landscapes.

\$10,000

Interpretive Publications - CBD District

This Fall, the first CPA funded Historical Commission publication was published—Paul Norton's *Guide to the Dickinson Historic District*. Two further publications during this fiscal year will be an interpretative brochure for West Cemetery and the Amherst Community History Manual. For FY 07 the Commission plans to publish a guidebook to the Central Business District (CBD) National Historic Register District in downtown Amherst.

\$7,500

APPENDIX B

**Community Preservation Act Committee (CPAC)
REPORT TO ANNUAL TOWN MEETING 2006**

Research Planning and Design

G. NHR Nominations - East Village & outlying area

The original E Village NHR district was limited to the area immediately around the common. These funds are requested for the research and nomination necessary to expand this district. In addition, moneys are requested for individual NHR nominations of outlying or isolated historic buildings.

\$10,000

HPRs, Appraisals & Surveys

Funds are needed to underwrite the preparation for purchase of historic preservation restrictions or easements on properties where demolition or damaging alterations are threatened; or, where the owner is willing to offer the Town the purchase of a restriction or easement on their property. Allocated funds would pay for items such as: surveying, property appraisals, technical and environmental site assessments, historical research, purchase options.

\$10,000

\$92,500

Article 34: Open Space

Preserving the Holyoke Range

Preservation of the Mt Holyoke Range continues to be a major focus for Amherst and the Towns of Granby, Belchertown, Hadley and South Hadley. This figure represents an estimate of the cost of a parcel of land on the Range available to the Town of Amherst.

\$125,000

Appraisals & Surveys

Funding for required Appraisals, surveys and due diligence is not included in the Conservation Department budget. This funding is critical for the establishment of projects that can be undertaken with CPA funds.

\$16,000

\$141,000

Article 35: Recreation

Coordinated Sign Project

For several years LSSE, DPW, Conservation, the Amherst Schools and the Planning Department have recognized the need for appropriate, informative and way-finding signs. There is a demonstrated need for a coordinated Signs Program.

\$20,000

Article 26 (part) Plum Brook Athletic Fields – Debt Service
Legal obligation.

\$45,000

\$65,000

Respectfully submitted

Peter Jessop (Chair)	Housing Authority	549-1440
Elisa Campbell	At Large	256-4247
Audrey Child	At Large	549-4631
Kathleen Ford	LSSE	549-0707
Rod Francis	Planning Board	256-3318
Edith MacMullen	Historical Commission	253-5256
Vincent O'Connor	At Large	549-0810
Nicki Robb	Conservation Commission	253-9279
Chris Ryan	At Large	549-3621

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FINANCE COMMITTEE REPORT - FY 06

APPENDIX C

LONG TERM DEBT OBLIGATIONS FY 2007 - FY 2011

	<u>Last</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
	<u>Payment</u>	<u>Principal</u>	<u>Interest</u>	<u>Cost</u>
GENERAL FUND				
LONG TERM DEBT				
Town Hall Renovations	FY 16	3,223,000	1,631,722	4,854,722
Police Facility	FY 08	5,104,591	2,731,473	7,836,064
Bangs Community Center	FY 08	685,181	373,228	1,058,409
Land Purchases	FY 08	152,025	84,370	236,395
Jones Library	FY 11	1,025,731	539,032	1,564,763
Wildwood School Roof	FY 13	630,000	102,633	732,633
Sidewalks (2 projects)	FY 07	224,000	12,067	236,067
Streetlights	FY 07	140,000	8,733	148,733
Crocker Farm (1)	FY 19	3,000,000	809,875	3,809,875
Landfill Cell III	FY 06	1,616,919	639,874	2,256,793
Sidewalks (2005)	FY 14	600,000	111,327	711,327
		16,401,447	7,044,334	23,445,781
SHORT TERM DEBT				
Crocker Farm (2)		5,505,000		
Plum Brook Recreation Fields		500,000		
High School Roof		1,000,000		
		1,000,000	-	-
DEBT PAID BY OVERRIDES				
Middle School Roof	FY 05	579,900	133,691	713,591
Regional High School Renovations	FY 18	17,019,678	9,108,003	26,127,681
		17,599,578	9,241,694	26,841,272
MISCELLANEOUS DEBT OBLIGATIONS				
Temp. Interest/Borrowing costs				
Deferred Teachers Payroll				
TOTAL GENERAL FUND DEBT		35,001,025	16,286,028	50,287,053
ENTERPRISE FUNDS				
LONG TERM DEBT				
WATER FUND				
Atkins Treatment Facility	FY 10	6,994,929	4,699,651	11,694,580
South East St. Water Main	FY 12	724,969	444,369	1,169,338
		7,719,898	5,144,020	12,863,918
SEWER FUND				
Chapel Road Sewer Ext.	FY 14	1,000,000	236,627	1,236,627
Middle Street Extension	FY 13	1,920,000	317,248	2,237,248
		2,920,000	553,875	3,473,875
TRANSPORTATION FUND				
Parking Lot	FY 08	555,655	304,955	860,610
Parking Garage	FY 20	1,000,000	534,825	1,534,825
		1,555,655	839,780	2,395,435
TOTAL ENTERPRISE FUNDS DEBT		12,195,553	6,537,675	18,733,228
TOTAL DEBT		47,196,578	22,823,703	69,020,281

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FINANCE COMMITTEE REPORT - FY 06

APPENDIX C

LONG TERM DEBT OBLIGATIONS FY 2007 - FY 2011

<u>FY 07</u> <u>Payments</u>	<u>FY 08</u> <u>Payments</u>	<u>FY 09</u> <u>Payments</u>	<u>FY 10</u> <u>Payments</u>	<u>FY 11</u> <u>Payments</u>	<u>Future</u> <u>Periods</u>
238,650	228,250	218,000	212,900	202,375	883,400
299,596	130,298	-			-
51,007	21,413	-			-
9,515	8,003	-			-
65,622	62,326	58,547	55,549	46,989	-
77,319	75,548	73,728	66,885	64,905	123,938
26,358					-
35,481					-
281,750	277,250	272,188	266,000	259,250	1,829,938
88,338	86,238	79,138	77,188	75,075	210,600
1,173,636	889,326	701,601	678,522	648,594	3,047,876
58,743					-
68,180	66,160	64,140	62,120	60,100	220,200
38,283	96,710	94,047	91,385	88,722	328,264
165,206	162,870	158,187	153,505	148,822	548,464
382,217	340,425	301,108	260,624	212,253	214,512
382,217	340,425	301,108	260,624	212,253	214,512
20,000	20,000	20,000	20,000	20,000	
56,514	56,514	56,514	56,514	56,514	113,028
76,514	76,514	76,514	76,514	76,514	113,028
1,797,573	1,469,135	1,237,410	1,169,165	1,086,183	3,923,880
479,431	647,220	802,081	738,873	714,593	718,223
113,556	77,771	73,480	73,115		0
592,987	724,991	875,561	811,988	714,593	718,223
127,250	125,750	124,063	122,001	119,751	343,313
231,960	222,728	217,408	211,803	205,533	392,469
359,210	348,478	341,471	333,804	325,284	735,782
47,903	17,086	0			0
84,288	81,788	79,288	74,288	71,788	554,897
132,191	98,874	79,288	74,288	71,788	554,897
1,084,388	1,172,343	1,296,320	1,220,080	1,111,665	2,008,902
2,881,961	2,641,478	2,533,730	2,389,245	2,197,848	5,932,782

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FINANCE COMMITTEE REPORT - FY 06

APPENDIX D

**FY 07 MUNICIPAL SERVICES BUDGET WITH HEALTH INSURANCE COSTS
ALLOCATED TO DEPARTMENTS**

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Select Board/Town Manager	\$	202,632	220,245	220,010	235,324	252,632	17,307	7.4%
Finance Committee	\$	463	1,560	460	560	500	(60)	-10.7%
Finance Department	\$	737,157	731,894	726,802	890,345	935,300	44,955	5.0%
Legal Services	\$	131,381	94,150	105,347	99,150	110,568	11,418	11.5%
Human Resources	\$	1,616,459	1,773,103	1,755,627	458,541	500,751	42,210	9.2%
Human Rights	\$	39,236	54,033	53,461	58,830	60,851	2,021	3.4%
Information Technology	\$	374,193	402,913	402,628	466,234	459,300	(6,934)	-1.5%
Town Clerk's Office	\$	129,368	143,679	142,365	172,601	194,651	22,050	12.8%
Elections & Registration	\$	38,554	49,885	47,985	26,650	65,850	39,200	147.1%
Facilities Maintenance	\$	395,431	370,074	357,067	472,200	456,719	(15,481)	-3.3%
General Services	\$	366,124	405,005	405,324	410,053	424,726	14,673	3.6%
TOTAL APPROPRIATION	\$	4,030,999	4,246,541	4,217,076	3,290,488	3,461,847	171,360	5.2%

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Police Facility	\$	143,071	140,151	144,095	140,860	148,081	7,221	5.1%
Police	\$	3,502,731	3,704,190	3,689,964	4,279,307	4,436,546	157,239	3.7%
Fire/EMS	\$	3,026,270	3,136,691	3,136,505	3,674,208	3,902,357	228,149	6.2%
Communications Center	\$	440,576	466,412	468,211	574,054	668,596	94,542	16.5%
Animal Welfare	\$	37,565	39,417	32,490	47,809	53,326	5,517	11.5%
TOTAL APPROPRIATION	\$	7,150,214	7,486,861	7,471,265	8,716,237	9,208,906	492,668	5.7%

		FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Public Works Administration	\$	240,107	241,277	238,713	315,106	313,903	(1,203)	-0.4%
Highway	\$	525,944	615,782	574,243	696,208	693,877	(2,332)	-0.3%
Snow & Ice Removal	\$	160,181	197,140	282,334	145,460	176,540	31,080	21.4%
Street & Traffic Lights	\$	115,221	123,107	115,461	103,107	105,887	2,780	2.7%
Equipment Maintenance	\$	259,268	224,218	240,626	252,150	259,177	7,027	2.8%
Town Cemeteries	\$	4,046	8,900	4,849	22,591	28,549	5,958	26.4%
Parks, Commons & Downtown Maintenance	\$	226,429	237,553	251,315	264,639	275,546	10,907	4.1%
Tree Care & Pest Control	\$	137,442	125,821	146,369	152,420	157,321	4,901	3.2%
TOTAL APPROPRIATION	\$	1,668,639	1,773,798	1,853,909	1,951,680	2,010,799	59,118	3.0%

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APPENDIX D

**FY 07 MUNICIPAL SERVICES BUDGET WITH HEALTH INSURANCE COSTS
ALLOCATED TO DEPARTMENTS**

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Conservation	\$ 190,958	178,433	191,149	229,646	247,636	17,989	7.8%
Planning	\$ 286,523	298,613	248,612	291,997	333,533	41,536	14.2%
Inspection Services	\$ 268,504	332,336	298,715	401,670	452,896	51,225	12.8%
TOTAL APPROPRIATION	\$ 745,984	809,382	738,476	923,313	1,034,064	110,751	12.0%

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
Public Health	\$ 235,012	325,557	270,268	350,535	394,167	43,632	12.4%
Senior Center	\$ 228,289	217,780	178,638	236,302	271,036	34,734	14.7%
Community Services	\$ 54,966	225,232	211,049	217,760	128,612	(89,147)	-40.9%
Veterans' Serv. & Benefits	\$ 86,239	85,203	122,156	130,003	154,519	24,516	18.9%
Leisure Services & S.E.	\$ 509,587	615,804	571,143	667,848	711,061	43,213	6.5%
Pools	\$ 124,900	162,395	154,801	170,896	170,912	16	0.0%
Town Commemorations	\$ 447	875	0	875	875	0	0.0%
Golf Course	270,445	233,069	234,267		203,096		
TOTAL APPROPRIATION	\$ 1,509,885	1,865,915	1,742,322	1,774,218	2,034,278	260,060	14.7%

	FY 04 Actual	FY 05 Budget	FY 05 Actual	FY 06 Budget	FY 07 Recommended	Change FY 06 - 07	Percent Change
General Government	\$ 4,030,999	4,246,541	4,217,076	3,290,488	3,461,847	171,360	5.2%
Public Safety	\$ 7,150,214	7,486,861	7,471,265	8,716,237	9,208,906	492,668	5.7%
Public Works	\$ 1,668,639	1,773,798	1,853,909	1,951,680	2,010,799	59,118	3.0%
Planning, Conservation & Inspections	\$ 745,984	809,382	738,476	923,313	1,034,064	110,751	12.0%
Community Services	\$ 1,509,885	1,865,915	1,742,322	1,774,218	2,034,278	260,060	14.7%
TOTAL APPROPRIATION	\$ 15,105,721	16,182,498	16,023,049	16,655,936	17,749,893	1,093,957	6.6%

APPENDIX E

GLOSSARY

These definitions explain the meaning of some terms frequently used at Amherst Town Meeting as the terms apply to Amherst government.

Appropriation - The authorization by Town Meeting of an expenditure for a specified purpose using money from one or more specified sources (taxation, borrowing, grants, etc.). In most cases, a simple majority vote is required; authorization to borrow and appropriations from the Stabilization Fund require a two-thirds vote.

If the expenditure turns out to be less than the appropriation, the remainder is called an appropriation balance. An appropriation balance from a specific project or use can be made available for similar or related purposes by subsequent votes of appropriation transfers. Appropriation balances in the General Fund which stem from the Town's operating budget revert to Free Cash at the end of the fiscal year.

Capital expenditure exclusion - See "Exclusions".

Capital plan - A list of proposed expenditures and funding sources for needs such as land acquisition, construction, major equipment and maintenance, and other special projects that add to the value of the Town's assets.

Cherry Sheet – The official notification from the State of the amounts and types of aid the State will provide to each municipality in a fiscal year, and the amounts each municipality must pay the State and regional entities for a variety of services provided. The document is called a "cherry sheet" because it comes on pink paper.

Contingent appropriation - An appropriation voted by Town Meeting that becomes effective only if the amount is approved in a Proposition 2 1/2 override election.

Debt exclusion - See "Exclusions".

Enterprise fund - A fund established to provide specific services. The state allows enterprise funds only for water, sewer, solid waste, hospital, recreation services, and transportation. Amherst has five: water, sewer, solid waste, golf course, and transportation. Both the costs and the revenues of the enterprise are segregated from other finances of the Town. The costs of the operation are intended to be financed totally or primarily from user charges. Surplus funds, called unreserved retained earnings, may accumulate in the fund for future use by the enterprise. Surpluses result primarily from revenues in excess of estimates and from unexpended appropriations.

Excess taxing capacity - The difference between actual real and personal property taxes levied in any given year and the amount authorized to be assessed under Proposition 2 1/2.

Exclusions - Exclusions allow, by referendum, an increase in the amount of property taxes which a community may levy, for a limited period of time, and only for capital purposes. The revenue is in addition to the levy limit, but it neither increases the levy limit nor becomes part of the base for calculating levy limits of future years. "Capital purposes," in this context, are those for which the Town is authorized to borrow under Massachusetts General Laws, Chapter. 44, sections 7 and 8. Generally, this includes public building and public works projects and land and equipment acquisitions.

The money to pay for these projects is authorized by Town Meeting, but only the Select Board, by a two-thirds majority, can place exclusion questions on the ballot to raise money by increasing the levy.

Capital expenditure exclusion - A one-year increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project. The referendum question defines the project, states the maximum amount of the exclusion, and specifies the fiscal year in which the payment will occur.

Debt exclusion - A temporary increase in the levy limit approved by the voters in a referendum for the purpose of funding a capital project by means of debt. Both principal and interest are excluded from the levy limit until the debt is retired. The referendum question defines the project, but it does not state the amount of money to be excluded or the years of debt payments. (Estimated amounts are publicized prior to the referendum.)

APPENDIX E

GLOSSARY

Free Cash - The unreserved, undesignated fund balance of the General Fund that accumulates from revenues collected in excess of estimates and from unexpended appropriation balances. These are the only sources of Free Cash; money cannot be appropriated to Free Cash. The amount is calculated and certified by the state's Department of Revenue each year as of July 1, the first day of the fiscal year. Free Cash may be spent by Town Meeting appropriation only, by majority vote.

General Fund - The general operating fund of the Town. It includes revenues from taxation, general state aid, school aid, and all other financial resources that are not held for specific purposes. Expenditures from this fund may be for any purpose for which a municipality may legally appropriate funds. Enterprise Fund money is not part of the General Fund.

Levy - *Verb*: To impose a tax. *Noun*: The total amount of real and personal property taxes assessed in any given year, referred to as "the levy".

Levy ceiling - The limit imposed by Proposition 2 1/2 which equals 2 1/2% of the total full and fair cash value of all property in the Town. The levy may not exceed this amount; taxpayers may not vote a higher amount in an override. The levy ceiling is equal to a tax rate of \$25 per \$1,000 of valuation.

Levy limit - The amount that a town may raise in taxes each year without approval by the voters in a referendum. The levy limit is the prior year's limit plus 2 1/2% of that amount plus an amount approved by the state that resulted from "new growth".

Referenda of two types may be used to increase the limit: override and exclusion.
These are defined elsewhere in this list.

New growth - The increased value in a given year of new development and other growth in the tax base that is not the result of revaluation. Included are physical additions or improvements to taxable property, exempt real property returned to the tax roll, new personal property, and new subdivision parcels and condominium conversions. New growth of one year becomes part of the base for calculating the next year's levy limit.

Overlay / reserve for abatements and exemptions - Tax abatements and exemptions are allowed for a variety of reasons specified in the Massachusetts General Laws. At the time the levy is assessed, the amount of qualifying abatements that will be granted is not determinable; therefore an amount of money must be set aside to provide for these abatements. If at the end of a fiscal year a balance remains in the reserve and the Assessors determine that no further claims are pending, the amount remaining may be reappropriated for other purposes or closed to Free Cash.

Override - A permanent increase in the levy limit approved by the voters in a referendum. The increase becomes part of the base for calculating levy limits of future years.

An override ballot question requests funding for expenses that are expected to continue into the future. The purpose stated in the question may be broad (for example, "general operating expenses") or narrow (for example, "two fire fighters"). The amount of money is also stated in the question, along with the fiscal year in which the increase is to become effective. Money from an override is earmarked for the purpose stated in the ballot question in the first year the override is in effect. Funding for this purpose can be expected to continue, even though, in subsequent years, the money is considered to be an undifferentiated part of the General Fund.

Overrides may be structured in any of three forms: a single ballot question stating a single purpose and related amount of money; a "pyramid" consisting of two or more separate ballot questions stating the same purpose but different amounts of money in each question; or a "menu" of separate questions, each stating a different purpose along with its related amount of money.

Override questions can be put on the ballot only by majority vote of the Select Board. The form of the override and the wording of the question or questions is also determined by the Select Board.

Reserve Fund - An account voted annually by Town Meeting to be used for extraordinary and unforeseen expenses that may occur during a fiscal year. The appropriation may not exceed 5% of the previous year's tax levy. Transfers from this fund are made by vote of a majority of the Finance Committee.

APPENDIX E

GLOSSARY

Reserves - Money accumulated for future expenditure. Free Cash and the Stabilization Fund are general reserves that may be used for a wide variety of purposes. Some reserves are available only for restricted purposes, for example, the Ambulance Account, the Conservation Fund, the Parking Meter Receipt Account, and the Sale of Real Estate Account.

Revolving Fund - A special purpose account that accumulates revenues based on charges for services and from which expenditures are made without Town Meeting appropriation for uses for which the revenue was collected. The purposes for which the Massachusetts General Laws authorize such accounts to be established are recreation, adult education, and school lunch. These funds differ from enterprise funds in that they do not accumulate and capitalize assets, there are restrictions on the size of fund balances they may retain from year to year, and some restrictions are placed on the purposes for which funds may be expended.

Stabilization Fund - An account established to save funds for future needs. Town Meeting may appropriate funds to the account, subject to limits imposed by state law. Transfers from the account may be made at Annual or Special Town Meetings for any lawful purposes. A two-thirds vote of Town Meeting is required to transfer money out of the fund.

The state originally limited use of this fund to capital purposes only, a restriction that no longer exists. Amherst has continued to appropriate from this fund according to the former restriction.